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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SOUTHERN DIVISION

INSTRUCTIONS FOR DETERMINING 1942 FARM WHEAT  
ACREAGE ALLOTMENTS AND NORMAL YIELDS

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Section 1. General instructions. -

(In these instructions reference is made to "Area A" and "Area B". Area A means Oklahoma and Texas; Area B means Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, and South Carolina. With respect to wheat, Area A includes areas in which wheat is produced as the principal cash crop on a majority of farms while Area B includes areas in which wheat is produced largely for home consumption although a small number of farms in Area B produce wheat as a supplementary cash crop, and still a smaller number produce wheat as the principal cash crop.)

A. FARMS FOR WHICH WHEAT ACREAGE ALLOTMENTS AND THE  
USUAL WHEAT ACREAGE WILL BE DETERMINED

The usual wheat acreage and a wheat acreage allotment shall be determined for each farm in Area A, and the usual wheat acreage and a wheat acreage allotment shall be determined for each farm, except those on which the acreage of wheat normally seeded for harvest is 10 acres or less, in Area B on which wheat was seeded for harvest in any one of the years 1939, 1940, and 1941 and for any farm on which wheat will be seeded for harvest in 1942 but on which wheat was not seeded for harvest in any one of the years 1939, 1940, and 1941.

Maximum limit for usual acreage in Area B. - The sum of the usual wheat acreages determined for all farms in any county in Area B shall not exceed the sum of the average acreages seeded to wheat in 1938 and 1939 for such farms.

B. NON-ALLOTMENT AND ALLOTMENT WHEAT FARM OPTIONS

(1) Area A. - Under the 1942 program, a non-wheat allotment farm will be:

(a) Group 2 wheat farm; that is, any farm on which wheat was not planted for harvest in any one of the three years 1939, 1940, and 1941;

(b) any farm for which a wheat acreage allotment of 15 acres or less is determined and the acreage seeded to wheat exceeds the acreage allotment by 10 percent or more; or

(c) any farm for which a wheat acreage allotment of more than 15 acres is determined and on which wheat is normally seeded for green manure, hay, or pasture, or will be planted for such use for 1942, and the



county committee approves the operator's written request to have the farm considered as a non-wheat allotment farm.

(2) Area B. - Under the 1942 program, a non-wheat allotment farm will be:

(a) any farm for which no wheat acreage allotment is determined; that is, a farm on which the acreage of wheat normally seeded for harvest is 10 acres or less;

(b) Group 2 wheat farm; that is, any farm on which wheat was not planted for harvest in any one of the 3 years 1939, 1940, and 1941;

(c) any farm for which a wheat acreage allotment of 15 acres or less is determined and the acreage seeded to wheat exceeds the acreage allotment by 10 percent or more;

(d) any farm for which a wheat acreage allotment of more than 15 acres is determined and on which wheat is normally seeded for green manure, hay, or pasture, or will be planted for such use for 1942, and the county committee approves the operator's written request to have the farm considered as a non-wheat allotment farm; or

(e) with the approval of the county committee, any farm from which no wheat is sold and on which the acreage of wheat normally harvested for grain or for any other purpose after reaching maturity is not in excess of 3 acres per family living on the farm and having an interest as a producer in the wheat crop grown thereon.



(3) Provisions relating to allotment and non-allotment wheat farms. - Only wheat allotment farms may qualify for conservation and parity payments and loans with respect to wheat under the 1942 program, and performance with respect to wheat for such farms will be determined on the basis of the acreage planted to wheat.

Non-wheat allotment farms will not be eligible for either conservation or parity payments with respect to wheat or for wheat loans, except that loans may, if wheat marketing quotas are in effect, be made on wheat in excess of the farm marketing quota. Performance with respect to wheat on non-wheat allotment farms will be determined on the basis of the harvested acreage of wheat. No deduction with respect to wheat acreage will be made if the acreage harvested for grain or for any other purposes after reaching maturity is not in excess of the largest of (a) the wheat acreage allotment, (b) 15 acres, or (c) in Area B, if no wheat is sold from the farm, three acres per family on the farm.

C. REQUEST FOR ALLOTMENT FOR "NEW" WHEAT FARMS

The operators of farms on which wheat was not seeded for harvest in any one of the years 1939, 1940, and 1941, but on which wheat will be seeded for harvest in 1942, must request the county committee in writing for a specified wheat acreage allotment under the 1942 program. Such request must be made not later than a date set by the State committee.

Public notice of such date shall be given within the county at least 15 days before the expiration of the period for making request for a wheat acreage allotment for "new" wheat farms.

D. DETERMINATION OF 1940 PLANTED AND DIVERTED ACREAGE

Enter in line 8, column G, Table 2, Form SR-301, the 1940 planted plus diverted wheat acreage for the farm.

The 1940 planted plus diverted wheat acreage for the farm shall be determined as follows. If the 1940 wheat acreage in line 11, column B, is less than the 1940 wheat allotment in line 8, column E, section I, the planted plus diverted wheat acreage shall be the acreage in line 11, column B, plus 14 percent of the allotment in line 8, column E, section I. If the 1940 wheat acreage in line 11, column B, exceeds the 1940 wheat allotment in line 8, column E, section I, the 1940 planted plus diverted wheat acreage shall be the larger of (1) the acreage in line 11, column B, or (2) 114 percent of the wheat allotment in line 8, column E, section I.

Sec. 2. Grouping of farms. - Wheat farms shall be considered in two groups with respect to determining wheat acreage allotments. Group 1 shall represent "regular" wheat farms; that is, farms on which wheat was seeded for harvest in one or more of the years 1939, 1940, and 1941. Group 2 shall represent



"new" farms; that is, farms on which wheat will be seeded for harvest in 1942 but on which wheat was not seeded for harvest in any one of the years 1939, 1940, and 1941.

Sec. 3. County office instructions. -

A. DETERMINATION OF USUAL ACREAGE

(1) Average acreage planted plus diverted. -

(a) 1936-1940. - The usual wheat acreage for the farm shall be determined on the basis of (1) the tilled acreage in the farm and (2) the crop rotation practices followed, as indicated by the average acreage seeded to wheat for harvest and diverted from the production of wheat (hereinafter referred to as planted plus diverted acreage) during the period 1936-1940, inclusive. The planted plus diverted wheat acreage for such period is entered in Table 2, Section II, Form SR-301.

If Table 2, Section II, Form SR-301, has not been executed for any farm, such table shall be executed in accordance with the applicable instructions under previous programs. For each group 2 farm enter in line 12, column G, the 1942 wheat acreage allotment requested for the farm by the operator. The requested acreage allotment must be entered for each group 2 farm.

The total planted plus diverted wheat acreage for the five-year period, 1936-1940, will be the sum of the entries in line 7, column D, and line 8, columns D, E, F, and G, and shall be entered in line 1, extended, column G, Table 2, Form SR-301. The actual average planted plus diverted acreage for the five-year period shall be computed by dividing the total planted plus diverted acreage for the period by the number of years for which data are shown and shall be entered in line 2, extended, column G. The actual average planted plus diverted acreage so determined shall be the usual acreage of wheat for the farm and shall be transferred to line 13, column F, unless it is determined, in accordance with the instructions outlined in (b) below, that such average is not representative of the tillable acreage and the crop rotation practice for the farm for 1942.

(b) Elimination of years with large or small acreage. - If the county committee determines that the planted plus diverted acreage for any of the years during the period 1936-1940 (i) was abnormally low due to extreme flood or drought, (ii) is not typical of the farm for 1942 due to customary crop rotation practices or a change in such practices, (iii) was abnormally high due to failure of crops other than wheat, or (iv) is not substantiated by records and the committee finds good ground to believe that the actual acreage of wheat seeded for harvest on the farm in such year was substantially different from



the acreage reported, such year shall be eliminated in determining the usual acreage of wheat for the farm, provided that any year prior to 1941 may also be eliminated if the farm in such year was not identical with the farm as constituted in 1941.

If any year during the period 1936-1940 is eliminated in accordance with the above instructions, the planted plus diverted wheat acreage for such year as shown in line 7, column D, or in line 8, columns D, E, F, and G, shall be lined out, but not obscured, using a blue pencil. A new total of the planted plus diverted wheat acreage for the remaining years of the period 1936-1940 shall be secured and entered in line 3, extended, column G. The average of the remaining years shall be determined by dividing the total in line 3, column G, by the number of years for which acreage was included in such total and shall be entered in line 13, column F, unless all the years during the period 1936-1940, inclusive, are eliminated by the committee.

In the event all the years during the period 1936 to 1940, inclusive, are eliminated, the committee shall determine the usual acreage of wheat on the basis of tillable acres and crop rotation practices; this usual acreage shall fall within the limits of the average annual acreage of wheat on such farm during the period 1936 to 1940 and the indicated usual acreage described in the next following two sentences. This indicated usual acreage shall be determined by multiplying the acreage of cropland on such farm in 1941 by the ratio of wheat acreage to cropland which was determined, or could have been determined, for this purpose under the regulations pertaining to the determination of 1941 farm wheat acreage allotments. If for any county or community such ratio does not appear representative of the usual ratio of wheat acreage to cropland for farms on which wheat was seeded for harvest in 1939, 1940, or 1941, the ratio for such county or community shall be determined on a supplementary tabulation by dividing the average annual acreage of wheat seeded for harvest in 1937, 1938, and 1939, in lines 8, 9, and 10, respectively, column B, Table 2, Form SR-301, by the 1941 cropland on farms on which wheat was seeded for harvest in 1939, 1940, and 1941. If the 1941 acreage of cropland has not been determined, the 1940 acreage of cropland in line 1, column E, Section I, Form SR-301, for such farms shall be used in lieu of the 1941 acreage of cropland. The ratio used in determining the usual wheat acreage for farms for which all the years 1936-1940 are eliminated shall be entered and encircled in the heading of column G above the word "Usual". The usual acreage so determined shall be entered in line 13, column F, Table 2, Form SR-301.

(2) Adjustment of usual wheat acreage for topography and type of soil. - The description of the topography and type of soil shall be entered at the bottom of Table 2, Form SR-301, if such description has not already



been entered. The usual acreage in line 13, column F, shall be adjusted by the county committee so as to reflect variations in the topography and type of soil of the cropland in the farm adapted to wheat; provided that such adjustment shall not exceed 25 percent. Enter in line 13, column G, the usual acreage adjusted for topography and type of soil in accordance with this subsection. If no adjustment is made in the usual acreage for topography and type of soil, transfer the entry in line 13, column F, to line 13, column G.

(3) Use of 1941 usual acreage adjusted for 1942.— If the county committee determines that the usual wheat acreage adjusted, as shown in line 12, column G, Table 2, Form SR-301, determined under the 1941 program is equitable for the farm on the basis of the tillable acreage, crop rotation practices, type of soil, and topography as described in (1) and (2) of this subsection A, the entry in line 12, column G, shall be transferred to line 13, column G, and the 1941 usual wheat acreage adjusted shall be the usual acreage for determining the wheat allotment under the 1942 program.

If the county committee determines that the 1941 usual acreage, readjusted for topography and type of soil, is equitable for the farm, such acreage adjusted in accordance with the provisions of paragraph (2) above may be used in determining the 1942 wheat acreage allotment.

If the entry in line 12, column G, is used as the 1942 usual wheat acreage adjusted, it will not be necessary to execute line 3, extended, column G, or line 13, column F. In any event, however, entries must be made in line 8, column G, as well as in lines 1 and 2, extended, column G, in accordance with the above instructions.

#### B. DETERMINATION OF FARM WHEAT YIELDS

(1) Classification of farms with respect to wheat yields. As an aid to committees in determining normal wheat yields under the 1942 program, wheat farms shall be considered in three classifications. The class symbol with respect to wheat yields under the 1942 program shall be entered above column H in the margin at the top of Table 2.

Enter the class symbol "I" for each farm for which the letter "R" has been entered in the margin to the left of column A for each year during the period 1931-1940, inclusive.

Enter the class symbol "II" for each farm for which the letter "O" has been entered in the margin to the left of column A for any year(s) and the letter "R" for the other year(s), if any, during the period 1931-1940, inclusive.

Enter the class symbol "III" for each farm for which the letter "X" or "N" has been entered in the margin to the left of column A for any year



during the period 1931-1940, inclusive, or for which a line has been drawn through columns A, B, and C indicating that no wheat was seeded on the farm during such year.

(2) Final wheat yields. - In counties for which the yield determined for the 1942 Agricultural Conservation Program is the same as the yield determined for the county under the 1942 Crop Insurance Program, the preliminary yield shall not be determined, in which case no entry shall be made in line 13, column I, Form SR-301. In such counties the final yield determined for the farm under the 1942 Crop Insurance Program as shown in column 16, Form FCI-203-W shall be entered in line 13, column J, Form SR-301.

In counties for which the yield determined for the 1942 Agricultural Conservation Program is not the same as the yield determined under the 1942 Crop Insurance Program and in counties for which a Crop Insurance yield has not been determined, the preliminary yield for the farm shall be determined in accordance with the instructions in subsection (3).

(3) Preliminary wheat yields. - The county committee, with the assistance of the respective community committee, shall enter in line 13, column I, its preliminary normal yield for the farm for 1942, taking into consideration all available facts, including the yield customarily made on the farm, weather conditions, type of soil, drainage, production practices, and general fertility of the land.

(a) Class I farms. - The yield to be entered in line 13, column I, for Class I farms shall be the entry in line 12, column H, unless the county committee determines that an upward adjustment is necessary for trends and abnormal weather conditions. An abnormally low yield for any year will be reflected in the respective line in column C and the committee through their knowledge of local weather conditions during the respective year(s) shall determine whether such low yield(s) resulted because of unfavorable weather conditions. If it is determined that an upward adjustment is necessary, such adjustment shall be made on the basis of the factors outlined above and the adjusted yield entered in line 13, column I. If no adjustment is made, enter in line 13, column I, the entry in line 13, column H.

(b) Class II farms. - The yield to be entered in line 13, column I, for Class II farms shall be the entry in line 12, column H, unless the county committee determines that an adjustment is necessary so as to result in a yield for the farm which will be comparable with the preliminary yields determined for other farms which are similar upon the basis of the factors outlined above. Where the yield, if any, determined for the farm in connection with the 1942 Crop Insurance Program is determined by the county committee to be an accurate reflection of the above factors, such yield shall be entered in line 13, column I.



(c) Class III farms. - The county committee shall appraise a normal yield for each Class III farm on the basis of all available facts, including the yield customarily made on the farm, weather conditions, type of soil, drainage, production practices, and general fertility of the land. Where the yield, if any, determined for the farm in connection with the 1942 Crop Insurance Program is determined by the county committee to be an accurate reflection of the foregoing factors, such yield shall be the appraised yield for the farm. The appraised normal yield for any farm shall be comparable with the yields appraised for other farms in the same community which are similar with respect to the above factors. The appraised yield for the farm shall be entered in line 13, column I.

The final wheat yields for farms in counties in which it is necessary to determine preliminary farm wheat yields on Form SR-301 shall be determined by the State office. The final yield for farms in such counties shall be determined by the State office by making a horizontal adjustment, if necessary, in the preliminary yields recommended by the committees, in order that the weighted average yield for all farms in the county shall conform to the average yield determined for the county. Upon receipt of the approved Forms 42-SR-4W from the State office, however, the county office shall transfer the final yields from column 10, Form 42-SR-4W, to line 13, column J, Table 2, of the respective Forms SR-301.

C. EXECUTION OF FORM 42-SR-4W

(1) Tabulation of data. - Form 42-SR-4W (hereinafter referred to as Form 4W) shall be used in determining the wheat acreage allotments and for listing normal yields in connection with the 1942 program. In executing Forms 4W, farms shall be listed according to the two groups provided in Section 2. Enter in the spaces provided on each Form 4W the name of the county and State and the group symbol. Columns 1 through 7 and columns 9 and 10 shall be filled out in accordance with the following instructions.

Column number and heading	Source of information
1. 1941 serial number	Form SR-301
2. 1942 serial number	Enter as soon as available if different from 1941 number
3. Name of 1941 operator	Item a, Form SR-301. Enter the name of the 1942 operator as soon as available if different from the 1941 operator.
4. Cropland	Line 1, column E, Section I, Form SR-301



5. 1938-1939 average acreage	<u>In Area B:</u> Enter the sum of the entries in line 8, column E, and line 8, column F, Table 2, Form SR-301, divided by 2. <u>In Area A:</u> Leave blank.
6. 1936-1940 average wheat acreage	Line 2, extended, column G, Table 2, Form SR-301 (except for group 2 farms)
7. Usual wheat acreage adjusted	Line 13, column G, Table 2, Form SR-301
9. Preliminary yield	Line 13, column I, Table 2, Form SR-301 (if FCI county yield and ACP county yield are different)
10. Final yield	Line 13, column J, Table 2, Form SR-301 (This column shall be executed in the county office only if the FCI county yield and the ACP county yield are the same.)

The serial number in column 1 shall be encircled for each farm considered in Class I in accordance with instructions in subsection B above, and for such farms the unadjusted yield in line 12, column H, Table 2, Form SR-301, shall be entered in column 9, using a red pencil, to the left of the original entry in that column. For such farms if the preliminary yield is the same as the unadjusted yield, the preliminary yield in column 9 shall be encircled.

For group 2 farms enter the words "Requested allotment" in the heading of column 6, Form 4W. Enter in column 6 for group 2 farms the entry in line 12, column G, Table 2, Form SR-301. It is necessary that an entry be made in column 6 for each group 2 farm.

(2) Summarization of data. - When the above columns have been tabulated, the entries in each column shall be verified. The number of farms represented in column 1 shall be entered in the space for total at the bottom of each page. The total of columns 4 through 7, inclusive, shall be ascertained and entered in the applicable spaces at the bottom of each page.

A county summary shall be prepared by listing the page totals by groups on another listing sheet. On the county summary the total of each column shall be ascertained for each group and for the county.



For counties in Area B if the county total of column 7, Form 4W, exceeds the county total of column 5, it will be necessary for the county committee to eliminate the excess acreage. Such excess shall be eliminated by making adjustments in the usual acreage for individual farms as shown in column 7, Form 4W. The original entry in column 7 shall be lined out, but not obscured, and the adjusted entry shall be made in the left side of column 7. If it is necessary to adjust the original entries in column 7 so as not to exceed the maximum limit of usual acreage for farms in Area B, the adjusted entry must not vary by more than 25 percent from the usual wheat acreage for the respective farm.

(3) Incompleteness reserve for group 2 farms. - The county committee shall review the data tabulated on Forms 4W for group 2 farms. On the basis of such data and their knowledge of the county, the committee shall estimate the incompleteness of group 2 farms. This incompleteness reserve shall be estimated in terms of the usual wheat acreage, adjusted for topography and type of soil, and shall represent the additional group 2 farms, if any, in the county not included on Forms 4W.

The county committee's certification of the incompleteness of group 2 farms shall be substantially as follows:

Certification of Incompleteness of Group 2 Wheat Farms

We, the County Committee of \_\_\_\_\_ County, estimate that \_\_\_\_\_ acres fully represent the total of the usual wheat acreage adjusted for group 2 farms not listed on Forms 4W.

(Date)

(Signatures of county committeemen)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above certification shall be transmitted to the State office along with Forms 4W for the county.

D. TRANSMITTAL OF FORMS 4W TO THE STATE OFFICE

When Forms 4W have been executed through column 7, each member of the county committee shall enter his signature and the date in the applicable spaces at the top of each listing sheet. Such forms along with the county summary should be transmitted to the State office not later than May 15, 1941. In transmitting Forms 4W the carbon and the duplicate shall not be detached.



#### E. NOTIFICATION OF PRODUCERS

Immediately upon receipt of the approved copies of Forms 4W from the State office, the county office shall promptly notify producers of their 1942 farm wheat acreage allotments, yields, and premium rates, if any. The applicable notice Form ACP-126-A or Form ACP-126-D shall be used for this purpose as hereinafter provided. When the notice has been prepared, it shall be enclosed in an envelope properly addressed and promptly mailed, except that notices for group 2 farms shall not be mailed prior to July 1, 1941.

Form ACP-126-A shall be used for all farms in Area A, and shall be prepared in duplicate only for farms for which the owner is different from the operator. In such cases the duplicate copy shall be mailed to the owner of the farm. A blank column on Form 4W shall be properly designated and the date the notice is transmitted shall be entered therein. Enter at the top of the notice the work sheet serial number of the farm, the name of the State and county, and the name of the operator and owner (if different from the operator). Enter in the spaces provided the total land in the farm from line 14, column F, Form SR-301, and the cropland from line 1, column F, Form SR-301. Enter in the spaces provided the 1942 farm wheat acreage allotment from column 8 and the 1942 program farm yield from column 10, Form 42-SR-4W. The premium rate for crop insurance determined for the farm shall be entered in the space provided; if no rate was determined, this space shall be lined out. If premium rates were determined both on the basis of 75 percent insurance and 50 percent insurance, the rate on each basis shall be entered. The date the notice is mailed shall be entered in the space provided in the paragraph relating to Appeals.

Forms ACP-126-B shall be used for group 1 wheat farms in Area B; this form has been printed in rediform. Separate notices shall be prepared and transmitted both to the owner and operator of the farm only in cases where the owner does not operate the farm. The carbon copies shall be retained in county office files. Enter at the top of the notice the work-sheet serial number of the farm, name of the State and county, and the name of the operator and owner (if different from the operator). Enter in the spaces provided the total land in the farm from line 14, column F, Form SR-301, and the cropland from line 1, column F, Form SR-301. Enter in the spaces provided the 1942 farm wheat acreage allotment from column F and the 1942 program farm yield from column 10, Form 42-SR-4W. Premium rates for crop insurance will have been determined for very few farms, if any, in Area B. For those farms for which a rate was not determined the space for the rate shall be lined out; if a rate was determined, it shall be entered in the space provided.

Forms ACP-126-D2 shall be used in notifying producers on group 2 farms, if any, in Area B. The State office shall mimeograph and transmit to county offices the necessary number of this form to notify the group 2 farms listed on Forms 42-SR-4W. A sample copy of Form ACP-126-D2 is attached to these instructions.



F. FINAL DATE FOR NON-WHEAT ALLOTMENT OPTION - AREA A

The non-allotment farm provisions outlined in section 1 B are automatic on the basis of the acreage seeded to wheat on farms for which the allotment is 15 acres or less. Farms for which the wheat allotment is more than 15 acres may be considered non-wheat allotment farms if the county committee approves the written request of the operator to have the farm considered as a non-wheat allotment farm. The written request for the non-allotment option must be received in the county office not later than November 1, 1941, or within 15 days after notice of the allotment is mailed from the county office, whichever is later.

G. FINAL DATE FOR NON-WHEAT ALLOTMENT OPTION - AREA B

In accordance with the provisions of section 1 B, the non-wheat allotment farm option must be elected only for farms for which the wheat acreage allotment is more than 15 acres, except that no such election is necessary in cases where the 3-acre per family provision is applicable. In order for farms for which the allotment is more than 15 acres and on which wheat is normally seeded for green manure, hay, or pasture, or will be planted for such use for 1942, to be considered as non-wheat allotment farms, the operator must request the county committee in writing prior to November 1, 1941, or within 15 days after notice of the allotment is mailed from the county office, whichever is later, to have the farm so considered. This election shall be made on a form to be mimeographed in the county office which shall be substantially as follows:

\_\_\_\_\_  
(Name of county)

\_\_\_\_\_  
(Name of county committee)

\_\_\_\_\_  
(Address of county committee)

Dear Sir:

I hereby request that my farm, serial number \_\_\_\_\_, be considered as a non-wheat allotment farm under the 1942 Agricultural Conservation and Parity Payment Programs and for the purpose of wheat marketing quotas, if they become effective for the 1942 crop. As a non-wheat allotment farm, I understand that no wheat payment, either ACP or parity, will be made with respect to the farm and that a wheat loan will be available only for wheat in excess of the farm marketing



quota, if marketing quotas are in effect for the 1942 crop of wheat. I understand that performance with respect to wheat under the 1942 program will be determined on the basis of the acreage of wheat which is harvested and that no deduction with respect to wheat acreage will be made if the acreage harvested for grain or for any other purpose after reaching maturity is not in excess of the largest of (a) the wheat acreage allotment, (b) 15 acres, or (c) if no wheat is sold from the farm, 3 acres per family on the farm.

Very truly yours,

\_\_\_\_\_  
(Signature of producer)

\_\_\_\_\_  
(Date)

#### H. EXECUTION OF TABLE 2, FORM SR-301

Data shall be entered in Table 2, Form SR-301, in accordance with the following instructions for each farm for which a usual wheat acreage or a wheat acreage allotment was determined under the 1942 Agriculture Conservation Program.

(1) Kind of record. - A symbol shall be entered in the margin to the left of column A, line 13, describing the kind of record from which the 1942 production, acreage, and yield are secured.

(a) The letter "R" shall be used if the yield in column C is computed on the basis of reliable records. Reliable records are A.A.A. measurements of acreage and authentic elevator, sales, or thrashing receipts of production. The records of production, if furnished by the operator, shall be carefully examined by the county committee, and if accepted as being reliable shall be initialed by at least one member of the committee and kept on file in the county office.

(b) The letter "O" shall be used if the yield in column C is computed on the basis of A.A.A. measurements of acreage but for which the production is reported by the producer and is not substantiated by reliable records.

(c) The letter "X" shall be used if the yield in column C is computed on the basis of acreage reported by the operator and is not supported by reliable records.

If wheat is not planted on the farm in 1942, the spaces in line 13, columns A, B, and C, shall be lined out.



(2) Line 13 - 1942. - Enter in column B the 1942 acreage of wheat from the 1942 performance report as soon as available. Enter in column A the 1942 production furnished by the operator when performance is checked, which may be adjusted by the county committee, if necessary, in order to reflect the true yield for the farm in 1942. The 1942 production and yield in columns A and C, respectively, may be adjusted later if reliable records are submitted by the operator, in which case the symbol entered in the margin to the left of column A shall be changed from "O" to "R".

Enter in column C the 1942 yield determined by dividing the production in column A by the acreage in column B.

Enter in column D the sum of the entries in lines 3 through 12, column A.

Enter in column E the sum of the entries in lines 3 through 12, column B.

Enter in column H the 10-year average yield determined by dividing the production in line 13, column D, by the acreage in line 13, column E.

Sec. 4. State office instructions. -

A. CHECKING OF FORM SR-301 AND FORM 4W

(1) Field auditors. - Inasmuch as Forms SR-301 will not be transmitted to the State office with the listing sheets, Forms 4W, a field auditor from the State office should visit each county office and check the execution of Table 2, Form SR-301, and the tabulation of columns 1 through 7 of Form 4W, for not less than 5 percent of the wheat farms in the county or 50 farms, whichever is greater. The field auditor shall follow the instructions in SRB-302, SRB-402, and SRB-502, in checking the execution of Table 2, and the instructions in section 3 of this bulletin in checking the tabulation of data on Forms 4W. If it is found that Table 2, Form SR-301, has been incorrectly executed for any farm or if any errors are found in the tabulation of data on Forms 4W, the field auditor shall have the corrections made and supervise the county office in rechecking all such forms for the county.

(2) Checking of Form 4W in State Office. - When Form 4W has been received, the State office shall determine that an entry has been made in columns 1, 3, 4, (5 in Area B), 6, and 7 for each farm listed on Form 4W.

The State office shall determine that the total number of farms entered in the space for the total of column 1 is correct, and that the page totals of columns 4 through 7, inclusive, are correct. If the page total of any column is incorrect, the original entry shall be lined out, but not obscured, and the correct entry made in the same space. The State office shall also determine that the county summary has been prepared in accordance with the instructions in section 3 C (2) and that each entry on the county summary is correct.



In Area B the State office shall determine that the county total of column 7 does not exceed the county total of column 5. If the county total of column 7 exceeds the above maximum limit, Forms 4W shall be returned to the county office with instructions to eliminate such excess in accordance with the provisions of section 3 (c) (2).

B. DETERMINATION OF 1942 ACREAGE ALLOTMENTS

(1) Analysis. -

(a) Description of entries on Form 42-SR-4WA (hereinafter referred to as Form 4WA). - The numbers to the left of column B indicate the column numbers on Form 4W. Enter in the respective lines in column B the total of such column for group 1 farms.

Enter in line 1, column A, the total number of wheat farms in the county in 1941; this will be the number of 1941 group 1 and group 2 farms as shown on Form SR-504-W excluding (1) group 1 farms on which wheat was planted in 1938 but not in 1939, 1940, or 1941, and (2) group 2 farms on which wheat was not seeded in 1941.

Enter in line 2, column A, the acreage of cropland for the wheat farms included in line 1, column A.

Enter in line 3, column A, the 1936-1940 average wheat acreage for the county.

Enter in line 4, column A, the usual wheat acreage adjusted, for the farms in line 1, column A.

Compute the percentage for lines 5(a) and 5(b), columns A and B, as indicated.

Enter in column C the percentages derived by dividing the entries in column B by the respective entries in column A.

Enter in line 6, column A, the usual acreage adjusted for those group 2 farms listed on Form 4W. Enter in line 6, column B, the usual acreage adjusted for all group 2 farms. This entry will be the total of column 7, Form 4W, for group 2 farms plus the reserve of usual acreage for group 2 farms as recommended by the county committee.

Enter in line 7, column A, the county wheat acreage allotment less the allotment reserve for all group 2 farms. Enter in line 7, column B, the allotment reserve for all group 2 farms. This reserve must not exceed 3 percent of the county wheat allotment. Enter in line 7, column C, the county wheat acreage allotment.



Enter in line 8, column A, the product of the county allotment for group 1 farms are shown in line 7, column A, multiplied by the percent completeness in line 6, column C. Enter in line 8, column B, the acreage approved for group 2 farms listed on Form 4W based on the percentage completeness of such farms.

Enter in line 9, column A, the factor determined by dividing the entry in line 8, column A, by the entry in line 4, column B, but not in excess of .8500.

Enter in line 10, column C, the weighted average of the preliminary yields in column 9 of Form 4W.

Enter in line 11, column C, the production reserve established in accordance with section 4 C.

Enter in line 12, column C, the yield adjustment factor computed in accordance with section 4 C.

Enter in line 13, column C, the weighted average of the final yields in column 10, Form 4W. Enter in line 13, to the left of A, the normal yield for the county.

No entries shall be made in lines 10, 11, 12, and 13, column C, if the 1942 ACP yield and the 1942 FCI yield for the county are identical.

(b) General. - The percentage completeness of group 1 farms should be determined on the basis of the entries in column C. In stable wheat counties the indications based on the number of farms and the acreage of cropland should be fairly reliable in determining the percentage completeness for group 1 farms.

The State committee shall determine, on the basis of the data for group 2 farms listed on Forms 4W and the county committee's estimate of incompleteness for such farms, the amount of the county wheat acreage allotment which shall be set aside for all group 2 farms in the county, except that such reserve shall not exceed 3 percent of the county wheat acreage allotment. In making this determination consideration should be given to the requirements for "new" wheat farms under the 1939, 1940, and 1941 programs as well as the crop rotation practices followed in the county.

Form 4WA shall be signed by the Statistical Assistant and the Administrative Officer in Charge, and the dates of their signatures shall be entered in the applicable space. One copy shall be transmitted to the Southern Division.



All entries to be made in column 8, Form 4W, shall be expressed to the nearest tenth of an acre; five-hundredths of an acre shall be dropped and more than five-hundredths shall be considered a whole tenth.

(2) Determination of 1942 allotments. -

(a) Group 1 farms. - Column 8 for farms in group 1 shall be executed in accordance with the following instructions.

Column 8. - Divide the acreage approved for apportionment to group 1 farms by the total of column 7 for all group 1 farms in the county and enter the resulting ratio (but not in excess of .8500), carried four places beyond the decimal point, in the heading of column 8 on each page of Form 4W for group 1 farms. Enter in column 8 for each farm the acreage obtained by multiplying the entry in column 7 for the respective farm by the factor in the heading of column 8.

If the county total of column 8 for all group 1 farms does not exceed the acreage approved for apportionment for such farms, the wheat acreage allotments in column 8 for all group 1 farms in the county may be approved.

If the county total of column 8 for all group 1 farms exceeds the acreage approved for apportionment for such farms, it will be necessary to recheck the data used in determining the apportionment factor entered in the heading of column 8. If the apportionment factor was incorrectly determined or errors were made in applying it, the correct factor shall be determined and applied. When the factor in the heading of column 8 has been correctly determined and applied, the differences, if any, between the county total of column 8 and the acreage approved for apportionment for such farms due to the rounding of fractional acreages shall be eliminated by adjusting the larger acreage allotments in column 8 except that no acreage allotment shall be adjusted more than one acre.

(b) Group 2 farms. - Column 8 for farms in group 2 shall be executed in accordance with the following instructions.

Column 8. - Divide the acreage approved for apportionment to group 2 farms by the total of column 7 for all group 2 farms in the county plus the usual acreage incompleteness for such farms not listed on Form 4W, and enter the resulting ratio (but not in excess of the ratio in the heading of column 8 for group 1 farms), carried four places beyond the decimal point, in the heading of column 8 on each page of Form 4W for group 2 farms.



Enter in column 8 for each farm the acreage obtained by multiplying the entry in column 7 for the respective farm by the factor in the heading of column 8, but such acreage shall not exceed the entry in column 6.

If the county total of column 8 for all group 2 farms does not exceed the product of the group 2 farm apportionment factor times the total of column 7 for such farms listed on Form 4W, the wheat acreage allotments in column 8 for all group 2 farms in the county may be approved.

If the county total of column 8 for group 2 farms exceeds the product of the group 2 farm apportionment factor times the total of column 7 for such farms listed on Form 4W, the determination and application of the apportionment factor for group 2 farms shall be verified. If the apportionment factor for group 2 farms was incorrectly determined or applied, the correct factor shall be determined and applied. If the excess of the county total of column 8 over the product of group 2 farm apportionment factor times the total of column 7 for such farms listed on Form 4W is due to the rounding of fractional acreages, however, such excess shall be eliminated by making adjustments in the larger acreage allotments in column 8 except that such adjustment for any farm shall not exceed one acre.

The acreage, if any, by which the county total of column 8 for group 2 farms is less than the acreage approved for apportionment for all group 2 farms in the county may be included in the county reserve for determining allotments for any late group 2 work sheet farms in the county.

#### C. DETERMINATION OF 1942 WHEAT YIELDS

(1) Counties for which the 1942 Agricultural Conservation Program yield is the same as the yield determined under the 1942 Crop Insurance Program. - In counties for which the yields determined with respect to the 1942 Agricultural Conservation Program are the same as the yields determined for the counties under the 1942 Federal Crop Insurance Program, the State office shall determine that the final yield in column 10 for each farm is the final yield determined for the farm with respect to the 1942 Crop Insurance Program as shown in column 16, Form FCI-203-W.

If the entry in column 10 for any farm does not agree with the final yield determined for the farm with respect to the 1942 Crop Insurance Program as shown in column 16, Form FCI-203-W, the entry in column 10 shall be lined out, but not obscured, and the correct entry shall be made in the same space.

(2) Counties for which the 1942 Agricultural Conservation Program yield is not the same as the yield determined under the 1942 Crop Insurance Program, including counties for which a Crop Insurance yield has not been determined. -



(a) Weighted average of column 9. - The State office shall determine whether the production figure rounded to the nearest bushel shall be entered in column 11 for each farm or whether a cumulative total of such production for each page (without making the entry for each line) shall be obtained and entered in the box below the line for total at the bottom of column 9. The production for each farm will be determined by multiplying the yield shown in column 9 by the final acreage allotment for the respective farm as shown in column 8. The county total production shall be obtained by summarizing the page totals and shall be entered below the subtotal in the box at the bottom of column 9 on the last page. A county subtotal of production shall be ascertained for the farms for which the entry in column 9 has been encircled. Enter such county subtotal at the bottom of column 9 below the county total production on the last page. The weighted average of column 9 shall be determined by dividing the county total production by the total of the final wheat acreage allotments in column 8.

If the weighted average of the preliminary yields does not exceed the county average yield and is not more than approximately one-tenth of one bushel less than the county average yield, the yields in column 9 shall be approved as final; in which case the amount, if any, by which such average yield is less than the normal yield multiplied by the total of the final acreage allotments in column 8 shall constitute a county production reserve for use in the correction of errors and for appeals. If the weighted average of the preliminary yields shown in column 9, Form 4W, exceeds the county yield or is more than approximately one-tenth of one bushel less than the county average yield, it will be necessary to make a horizontal adjustment of all yields in column 9 except those for Class I farms for which the entry in column 9 is encircled.

If the weighted average of the preliminary yields does not come within the above-mentioned limits, a county yield adjustment factor shall be obtained as follows.

(i) Deduct the encircled county subtotal of production from the county total production.

(ii) A county production reserve shall be determined by the State office with the approval of the State committee. Such reserve shall not be greater than one-tenth of a bushel times the total of the final acreage allotments in column 8. Deduct the sum of (1) the county production reserve and (2) the encircled county subtotal production from the product obtained by multiplying the total of the final acreage allotments in column 8 by the 1942 county normal yield.



(iii) Compute the county yield adjustment factor by dividing item (ii) by item (i) and enter the result (carried at least four places beyond the decimal point) in the heading of column 10.

Enter in column 10 the encircled yields, if any, shown in column 9.

For all other farms enter in column 10 the yield (rounded to the nearest tenth of a bushel) obtained by multiplying the yield in column 9 by the county yield adjustment factor; but no yield will be entered less than the yield, if any, in the left side of column 9.

The weighted average of the yields entered in column 10 shall be determined in accordance with the above instructions for determining the weighted average of the yields in column 9. If the weighted average of the yields in column 10 exceeds the average yield determined for the county, which may occur if the county production reserve deducted in computing the county yield adjustment factor as outlined above was insufficient or if the yield adjustment factor was not correctly determined, it will be necessary to apply a second yield adjustment factor sufficient to result in a weighted average yield which does not exceed the average yield for the county, and to provide a production reserve for the correction of errors but not in excess of the maximum allowable. If a second yield adjustment factor is necessary, the final yield shall be entered in column 12, in which case the words "Final yield" shall be entered in the heading of column 12 for each page of the listing sheet.

#### D. TRANSMITTAL OF FORM 4W TO COUNTY OFFICES

When the final wheat acreage allotments and yields for individual farms have been approved by the State office, the county office copy (original) of Form 4W shall be detached from the duplicate copy and shall be returned to the county office with instructions to notify farm operators of the 1942 wheat acreage allotments and yields for their farm(s) in accordance with the instructions in section 3 E.

o o O o o



42-SR-4WA (Sample)  
United States Department of Agriculture  
Agricultural Adjustment Administration  
Southern Division  
May 1941

Number \_\_\_\_\_  
State \_\_\_\_\_ County \_\_\_\_\_

WHEAT SUMMARY AND ANALYSIS - SOUTHERN REGION  
1942 AGRICULTURAL CONSERVATION PROGRAM

Sec. I. Sign-up of 1942 group 1 farms	: 1941 group 1 : and group 2 : data 1/	: Form 42-SR-4W : Col.: : No.:	: Total	: Percent (B ÷ A)
	A		B	C
1. No. of wheat farms		1		
2. Acreage of cropland		4		
3. 1936-40 average wheat acreage	xxx	6		xxx
4. Usual wheat acreage adjusted		7		
5. Percentages: (a) (4 ÷ 2)		X		
(b) (4 ÷ 3)		X		

1/ Exclude farms on which wheat was not planted in any of the years 1939, 1940, or 1941.

6. Percentage completeness \_\_\_\_\_

Sec. II. Acreage allotments and yields	Group 1	Group 2	Total (A + B)
7. County wheat allotment			
8. Acreage approved for apportionment			
9. Apportionment factors			XXX
10. Weighted average preliminary yield	xxx	xxx	
11. Production reserve (bushels)	xxx	xxx	
12. Yield adjustment factor	xxx	xxx	
13. Weighted average final yield	xxx	xxx	

Sec. III. Approval:

Recommended for approval:

Date  
\_\_\_\_\_, 1941  
\_\_\_\_\_, 1941

Signatures  
\_\_\_\_\_  
(Statistical Assistant)  
\_\_\_\_\_  
(Administrative Officer)

Approved:  
\_\_\_\_\_, 1941

\_\_\_\_\_  
(Director, Southern Division)



ACP -126-D 2 (Sample)  
U. S. DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
Federal Crop Insurance Corporation

\_\_\_\_\_  
(Work sheet or farm number)

\_\_\_\_\_  
(State and county)

\_\_\_\_\_  
(Operator)

Total land in farm \_\_\_\_\_ acres

Cropland \_\_\_\_\_ acres

\_\_\_\_\_  
(Owner)

NOTICE OF 1942 WHEAT ACREAGE ALLOTMENT  
YIELD, AND PREMIUM RATE

TO ALL PERSONS WHO AS OPERATOR, LANDLORD, TENNANT, OR SHARECROPPER ARE INTERESTED IN  
THE ABOVE-IDENTIFIED FARM IN 1942:

The following wheat acreage allotment, yield, and premium rate are determined for the purposes of the 1942 Agricultural Conservation Program and, where applicable, for crop insurance, farm marketing quota, loan, and parity payment provisions of the Agricultural Adjustment Act of 1938, as amended.

Wheat acreage allotment _____	_____ acres
Program wheat yield per acre _____	_____ bushels
Premium rate per acre (75 percent insurance) _____	_____ bushels

APPEALS

Any interested producer who has reason to believe that he has just grounds, and can offer facts to substantiate his claim, may file an appeal for reconsideration of such allotment, yield, or premium rate. The appeal and facts constituting a basis for such consideration must be submitted in writing to the office of the county committee at the address shown below and must be postmarked or delivered to the office within 15 days after the date shown on this notice.

NON-WHEAT ALLOTMENT

This farm will be considered a non-wheat allotment farm under the 1942 Agricultural Conservation and Parity Payment Programs and for the purposes of wheat marketing quotas, if quotas become effective for the 1942 crop. No 1942 wheat payment, either ACP or parity, will be made with respect to this farm. A wheat loan may be secured only on wheat in excess of farm marketing quota, if wheat quotas are in effect on the 1942 crop.

DEDUCTION FOR EXCESS ACREAGE

A deduction from any ACP payments otherwise earned with respect to this farm will be made under the 1942 program for the acreage of wheat harvested in excess of the largest of (a) the above wheat acreage allotment, (b) 15 acres, or (c) if no wheat is sold from the farm, 3 acres per family living on the farm.

\_\_\_\_\_  
County Agricultural  
Conservation Committee

By \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chairman

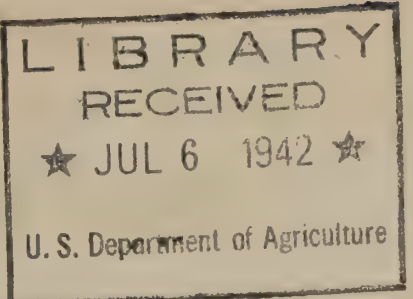
(This form to be used for group 2 farms in Area B only.)







UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT AGENCY  
SOUTHERN DIVISION



Part II. County Office Instructions Pertaining  
to Wheat marketing Quotas for Wheat  
of the 1942 Crop

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## A. GENERAL

Section 101. Receiving, Storing, and Disposing of Serially Numbered Wheat Marketing Quota Forms. All serially numbered forms shall be consigned to the county committee and shall be received, stored, and accounted for by it in accordance with the following general procedure:

1. Transmittal of forms on form Wheat 515. All serially numbered forms will be consigned to the county committee by the State office and each shipment thereof will be accompanied by the original and one copy of a letter of transmittal on form Wheat 515. The treasurer of the county committee shall ascertain the correctness of each shipment and shall compare the serial numbers of the forms with the serial numbers as shown on form Wheat 515. Upon receiving such forms the treasurer of the county committee should compare the quantity received with the estimated immediate needs of the county office and accordingly return the surplus forms, if any, to the State office in accordance with paragraph 3 below or promptly order additional supplies. The original of form Wheat 515 shall be signed by the treasurer of the county committee as a receipt for the forms transmitted therewith and, within five days from the date on which the forms were received, such receipt shall be forwarded to the State office.

2. Storage of forms. Serially numbered forms shall be filed together and so arranged that they will be issued or used in consecutive serial number order beginning with the lowest number and will be accessible to examination by any representative of the Secretary of Agriculture or the Agricultural Adjustment Agency. It shall be the duty of the treasurer of the county committee to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the county office.

3. Disposing of unused forms. Unused serially numbered forms shall be returned to the State office accompanied by the original and one copy of form Wheat 515, when it has been determined that the supplies of such forms are excessive or that further use of the forms will not arise. The State office shall examine the forms returned and shall receipt therefor on the copy of the form Wheat 515 prepared by the county office. Any forms forwarded to another county office or to another State office at the direction of the State office shall be transmitted on forms Wheat 515 and the receipt for such forms shall be filed in the county office.

## B. ISSUING NOTICES OF FARM MARKETING EXCESS

Section 102. Notice of Farm Marketing Quota and Farm Marketing Excess For Wheat

1. Farms for which the notice will be prepared. A notice on form MQ-609-Wheat shall be prepared for each farm for which a farm marketing excess is determined. No farm marketing excess shall be determined for:

a. Farms on which the acreage planted to wheat (plus any volunteer wheat which reaches maturity) is not in excess of 15 acres (See Sec. 901 of MQ-603-Wheat).



b. Farms on which the normal production of the acreage planted to wheat plus any acreage of volunteer wheat which reaches maturity is less than 200 bushels (see Sec. 902 of MQ-603-Wheat). 1/

c. Farms on which the acreage planted to wheat plus any acreage of volunteer wheat which reaches maturity is not in excess of the farm acreage allotment (see Secs. 402 and 403 of MQ-603-Wheat).

d. Non-wheat-allotment farms on which the acreage of wheat harvested as grain in any manner after reaching maturity is not in excess of the larger of the following: (1) The farm acreage allotment (or permitted acreage) or (2) 15 acres (see Sec. 904(a) of MQ-603-Wheat).

e. Experimental wheat farms to which the penalty does not apply (see Sec. 903, MQ-603-Wheat).

f. Farms on which the acreage planted to wheat plus any acreage of volunteer wheat which reaches maturity is in excess of the farm acreage allotment but the county committee has, pursuant to Sec. 403 of MQ-603-Wheat, adjusted the farm marketing excess to zero.

2. Preparation of forms MQ-603-Wheat for allotment farms where measurements are made. Form MQ-603-Wheat for an allotment farm for which measurements are made shall be prepared in triplicate as follows:

a. In the spaces provided enter the State and county code numbers, the acreage in cultivation, and the farm serial number.

b. In column 1 enter the 1942 acreage of wheat on the farm.

c. In column 2 enter the 1942 wheat acreage allotment established for the farm.

d. In column 3 enter the result obtained by subtracting the entry in column 2 from the entry in column 1.

e. In Column 4 enter the 1942 normal yield per acre of wheat established for the farm.

f. In column 5 enter the result obtained by multiplying the entry in column 2 by the entry in column 4.

g. Make no entry in column 6. 2/

1/ If for any reason the acreage planted to wheat has not been measured, the harvested acreage when measured may be considered as the planted acreage if, and only if, it is determined by the county committee from available information or an inspection of the field that the acreage harvested is found, on the basis of available information, to be less than the planted acreage, the planted acreage shall be used in determining the exemption.



h. In column 7, enter the result obtained by multiplying the entry in column 3 by the entry in column 4. 2/

i. In the space provided, enter the name and address of the operator of the farm.

j. In paragraph 3, enter a date 60 calendar days next succeeding the date determined by the State committee to be the date on which the threshing of wheat in the county is normally substantially completed.

k. In the spaces provided, enter the names of the county and State in which the notice is prepared.

3. Preparation of forms MQ-609-Wheat for non-allotment farms for which measurements are made. Forms MQ-609-Wheat for non-allotment farms for which measurements are made shall be prepared in triplicate as follows:

a. In the spaces provided enter the State and County code numbers, the acreage in cultivation, and the farm serial number.

b. In column 1 enter the 1942 acreage of wheat on the farm. 3/

c. In column 2 enter the 1942 wheat acreage allotment established for the farm.

d. In column 3 enter the result obtained by subtracting from the entry in column 1 the larger of the following: (1) the 1942 wheat acreage allotment established for the farm or (2) 15 acres.

e. In column 4 enter the 1942 normal yield per acre of wheat established for the farm. If a normal yield was not established for the farm, under the provisions of Wheat 608 Part I, SR, enter an appraised yield determined by the county committee in accordance with Sec. 205(a) of the regulations taking into consideration the normal yield for the county, the yields for adjoining farms, and other available data.

2/ If the actual production is determined in accordance with Sec. 405 of the regulations prior to the preparation of the form MQ-609-Wheat execute columns 6 and 7 in accordance with paragraphs 6(h) and 6(i) of this section.

3/ If a farm marketing excess is determined for the farm on the basis of the acreage planted to wheat, plus any acreage of volunteer wheat which reaches maturity, an additional notice on form MQ-609-Wheat must be given when the harvested acreage for the farm is ascertained. The additional notice, based on the acreage of wheat harvested, shall be prepared on form MQ-609-Wheat as outlined above with the exceptions that (1) the acreage of wheat harvested shall be entered in column 1 and (2) the statement, "This notice supersedes any notice previously given", shall be entered at or near the top thereof.



f. In column 5 enter the result obtained by multiplying the entry in column 2 by the entry in column 4. If the word "None" was entered in column 2, enter the word "None" in column 5.

g. Make no entry in column 6. 4/

h. In column 7, enter the result obtained by multiplying the entry in column 3 by the entry in column 4.

i. In the space provided, enter the name and address of the operator of the farm.

j. In paragraph 3, enter a date 60 calendar days next succeeding the date determined by the State committee to be the date on which the threshing of wheat in the county is normally substantially completed.

k. In the spaces provided, enter the names of the county and State in which the notice is prepared.

4. Preparation of forms MQ-609 for non-allotment farms on which the acreage harvested does not exceed three acres per family. (Not applicable in Oklahoma and Texas.) If a notice on form MQ-609-Wheat for a non-allotment farm is prepared pursuant to paragraph 3 above and the acreage of wheat (or the acreage of wheat harvested as the case may be) is not in excess of three acres per farm family living on the farm and having an interest as a wheat producer in the wheat crop grown thereon, the notice shall be supplemented by the following statement:

"The marketing penalty will not be applicable to any wheat produced in 1942 on this farm if no wheat produced on the farm in 1942 is marketed by sale. You may pay wheat, flour, or feed as a 'toll' charge to a thresher or miller in lieu of a cash charge for threshing or milling services without being subject to marketing penalties. All other wheat must be consumed on the farm as grain, flour, or feed in order to retain this exemption. If any 1942 wheat is sold, the penalty on the entire farm marketing excess must be paid. Accordingly, marketing cards will not be issued to producers on this farm." The supplemental statement shall be typed on a separate sheet and properly identified by the State and county code and farm serial numbers securely stapled to the face of the original and both copies of the notice.

5. Preparation of forms MQ-609-Wheat for allotment or non-allotment farms for which measurements are prevented by the producer. Forms MQ-609-Wheat for allotment or non-allotment farms for which measurements are prevented by the producer shall be prepared in triplicate as follows:

a. In the spaces provided, enter the State and county code numbers, the acreage in cultivation, if known, and the farm serial number.

4/ If the actual production is determined in accordance with Sec. 405 of the regulations prior to the preparation of the form MQ-609-Wheat, execute columns 6 and 7 in accordance with paragraphs 6(h) and 6(i) of these instructions.



- b. In column 1, enter the word "unknown."
- c. In column 2, enter the 1942 wheat acreage allotment established for the farm.
- d. In column 3, enter the word "Unknown".
- e. In column 4, enter the 1942 normal yield per acre of wheat.
- f. In column 5, enter the result obtained by multiplying the entry in column 2 by the entry in column 4.
- g. Make no entry in column 6.
- h. In column 7, enter the words "Actual production."
- i. In the space provided, enter the name and address of the operator of the farm.
- j. In paragraph 3, enter a date 60 calendar days next succeeding the date determined by the State committee to be the date on which the threshing of wheat in the county is normally substantially completed.
- k. In the spaces provided, enter the names of the county and State in which the notice is prepared.
- l. Attach a certification to the face of all copies of the form MQ-609-Wheat as follows:

"Section 403 of the regulations pertaining to wheat marketing quotas for the 1942 crop states that whenever the determination of the acreage of wheat in excess of the allotment for any allotment (insert 'non-allotment' if applicable) farm is prevented by the producer, the farm marketing excess shall be the total number of bushels of wheat produced in 1942 on the farm. In the event you establish in accordance with the aforementioned regulations the total number of bushels of wheat produced in 1942 on this farm, the farm marketing excess shall be the number of bushels produced in 1942 on this farm in excess of the normal production of the farm acreage allotment therefor.

(Member of the county committee)"

The supplemental statement shall be typed on a separate sheet properly identified by the State and county code and farm serial numbers and securely stapled to all copies of the notice.



6. Preparation of Forms MQ-609-Wheat for farms receiving an adjustment in the amount of the farm marketing excess. A notice on form MQ-609-Wheat shall be prepared for each farm for which the amount of the farm marketing excess is adjusted downward in accordance with Secs. 403 (b), 904 (b), or 405 of the regulations and of these instructions. The notice shall be prepared as follows:

a. Enter at or near the top of the form, the statement "This notice supersedes any notice previously given."

b. In the spaces provided, enter the State and county code numbers, the acreage in cultivation, and the farm serial number.

c. In column 1, enter the 1942 acreage of wheat on the farm.

d. In column 2, enter the 1942 wheat acreage allotment established for the farm.

e. In column 3, enter the result obtained by subtracting the entry in column 2 from the entry in column 1. If the entry in column 2 is equal to, or in excess of, the entry in column 1, enter the word "None" in column 3.

f. In column 4, enter the 1942 normal yield per acre of wheat established for the farm.

g. In column 5, enter the result obtained by multiplying the entry in column 2 by the entry in column 4.

h. In column 6, enter the actual production of wheat on the farm as determined by the county committee in accordance with Sec. 405 of the regulations and of these instructions.

i. In column 7, for farms for which measurements are made, enter the smaller of (1) the result obtained by multiplying the entry in column 3 by the entry in column 4 or (2) the amount by which the entry in column 6 exceeds the entry in column 5. For farms for which measurement was prevented by the producer, enter in column 7 the amount by which the entry in column 6 exceeds the entry in column 5.

j. In the space provided, enter the name and address of the operator of the farm.

k. In paragraph 3, enter a date 60 calendar days next succeeding the date determined by the State committee to be the date on which the threshing of wheat in the county is normally substantially completed.

l. In the spaces provided, enter the names of the county and State in which the notice is prepared.



m. Enter in the blank space immediately to the left of the signature of a member of the county committee the words "Farm marketing excess adjusted downward on account of actual production."

7: Mixtures of wheat and other grains. The acreage of wheat will be determined in accordance with the instructions pertaining to checking performance and measuring farms. The rules set forth in those instructions for determining whether an acreage, consisting of a mixture of wheat and other grains, will be classified as an acreage of wheat are applicable to wheat marketing quotas.

If the acreage from which the mixture is harvested is not classified as an acreage of wheat, the mixture produced thereon will not be subject to penalty because that acreage will not be taken into account in determining the excess wheat acreage and farm marketing excess.

If the acreage classified as wheat for a farm does not result in an excess wheat acreage therefor, whether there are acreages of mixtures which are classified as wheat or which are not classified as wheat, there will be no farm marketing excess for the farm and the producers on the farm will be eligible to receive marketing cards (form MQ-656-Wheat) which may be used by them in marketing the wheat produced on the farm, including the mixtures, without requiring the buyer to pay any penalty or deduct an amount equivalent to the penalty from the price paid.

If the acreage classified as wheat for a farm results in an excess wheat acreage for the farm, whether there are acreages of mixtures which are classified as wheat or which are not classified as wheat, there will be an initial farm marketing excess and a notice, form MQ-609-Wheat, showing a farm marketing excess shall be prepared pursuant to the foregoing instructions.

8. Apportionment of the farm marketing excess and the penalty. Each producer having an interest in the wheat produced in 1942 on any farm for which a farm marketing excess is determined shall be liable to pay the amount of the penalty on the farm marketing excess less the amount of the penalty which is paid by another producer or a buyer of wheat produced on the farm. If, however, the county committee, upon application of any producer made prior to the expiration of the 60-day period for satisfying the lien on the farm marketing excess (as entered in paragraph 3, MQ-609-Wheat), determines upon the basis of the evidence submitted that the producer is unable to arrange with the other producers on the farm for the payment of the penalty on the farm marketing excess or for storage or delivery to the Secretary of the excess wheat and that his share of the wheat crop is marketed or disposed of by him separately and that he exercises no control over the marketing or disposition of the shares of the other producers, the amount of penalty for such producer may be apportioned to him. The separate interest of the entire penalty must be apportioned in a fair and equitable manner as evidenced by the proportion which the producer's share in the wheat produced in 1942 bears to the total production of the 1942 crop of wheat on the farm or the proceeds thereof. In making an apportionment under these provisions care should be taken that the producer or anyone else is not granted the privilege of marketing more wheat than his interest. It is



not necessary in the event of an apportionment to mail or deliver to the operator of the farm for which the apportionment is made a revised notice of the farm marketing excess. However, a copy of the proceedings whereby such apportionment was made shall be securely fastened to the county office copy of form MQ-609-Wheat and shall plainly show the amount of the farm marketing excess determined for the producer making application for the apportionment. (See Sec. 703(c) MQ-603-Wheat)

9. Rule of fractions. In the preparation of forms MQ-609-Wheat the amount of the farm marketing excess (column 7) shall be expressed as whole bushels, disregarding all fractions of bushels. For example, 17.9 bushels shall be expressed as 17 bushels.

10. Time for mailing notices. The notices prepared under the foregoing provisions shall be mailed from the county office as soon as practicable after measurements for the farms are completed. Every effort should be made to complete the mailing of notices prior to the beginning of harvest. A member of the county committee shall sign the notice prior to the removal of the carbon inserts and the date on which the original copy is deposited in the United States mails shall be entered as the date of issuance. If a form MQ-609-Wheat is delivered to the farm operator in person, this fact should be so noted on all copies of the form.

11. Distribution of copies. The original of form MQ-609-Wheat shall be mailed or delivered to the operator of the farm on the date entered thereon. The first copies of form MQ-609-Wheat shall be forwarded to the State office at the time the original copies are mailed or delivered to the operators, or weekly, and shall constitute the report to the State committee, as required by Sec. 303 of MQ-603-Wheat, of farms for which a farm marketing excess is determined. The second copy of form MQ-609-Wheat shall be filed with forms Wheat 532-SR in the numerical sequence of farm serial numbers. Any form MQ-609-Wheat being replaced by a revised notice should be filed in the farm folder.

#### Buyers' and Transferees' Records and Reports.

Sec. 103. Information to Handlers of Wheat Concerning their Duties and Responsibilities Under the Agricultural Adjustment Act of 1938, as amended. Prior to the time the threshing of the 1942 wheat crop is begun in the county, each warehouseman, elevator operator, and processor who will buy, acquire, or receive wheat from producers or intermediate buyers during the 1942-1943 marketing year, should be furnished a copy of the regulations (MQ-603-Wheat), a copy of form Wheat 520, and a book containing forms Wheat 512. A record of the issuance of forms Wheat 512 shall be made pursuant to Sec. 104.

The sample letter appearing below should be signed by the chairman of the county committee and mailed, with the regulations and forms, to each warehouseman, elevator operator, grain dealer, or processor in the county.

#### Sample letter

"Marketing quotas are in effect for the 1942 crop of wheat. The marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, give you as a buyer of wheat and as a \_\_\_\_\_/Insert



warehouseman, elevator operator, or miller, whichever is applicable/ certain responsibilities and duties, which are outlined below:

Under the marketing quota provisions, farm marketing quotas and farm marketing excesses are established for wheat farms. Until the farm marketing excess for a farm is stored in accordance with regulations of the Secretary of Agriculture, or is delivered to the Secretary of Agriculture, or the penalty on the farm marketing excess is paid, the entire amount of wheat produced in 1942 on the farm is subject to a lien in favor of the United States for the amount of the penalty.

Each person who buys from the producer any wheat produced on a farm for which the penalty on the farm marketing excess is not paid or for which the farm marketing excess is not stored or delivered to the Secretary of Agriculture shall pay the penalty on each bushel so purchased. The rate of the penalty shall be 50 per centum of the basic rate of the loan on wheat for cooperators for the marketing year 1942 which will be 57 cents. While the buyer of the wheat is personally liable to pay the penalty, the may deduct from the price paid for the wheat the amount of the penalty.

A marketing card (form MQ-656-Wheat) issued to the producer will, when presented to the buyer, be evidence to him that the wheat is not subject to the penalty or the lien for the penalty. A marketing certificate (form Wheat 511-A) issued to the producer will when presented to the buyer be evidence to him that the amount of wheat specified therein is not subject to the penalty or the lien for the penalty. If the producer does not, at the time of marketing the wheat, identify the wheat by the marketing card or marketing certificate, the wheat shall be taken as subject to the penalty and lien for the penalty and the buyer shall pay the amount of the penalty.

If wheat is purchased from any person other than the producer prior to the time the wheat has been marketed to a warehouseman, elevator operator, feeder, or other processor, the wheat shall be taken as subject to the lien for the penalty, unless the person from whom the wheat is purchased delivers to you the original copy of an intermediate buyer's record and report (form Wheat 521), properly executed by the first intermediate buyer and the producer, and which shows (1) the serial number of the marketing card by which the wheat covered thereby was identified when marketed, or (2) on the reverse side the statement "Penalty satisfied" and the signature and title of a treasurer of a county committee and the date thereof. If the wheat is not so identified, the penalty on each bushel shall be paid in satisfaction of the lien.

The penalties, as indicated above, must be remitted to the treasurer of this county committee not later than 15 calendar days after the wheat subject to the penalty and lien for the penalty is purchased.

The following reports are required to be made:

1. If wheat marketed to you is not identified by a marketing card (form MQ-656-Wheat), or marketing certificate (form Wheat 511-A), or by an intermediate buyer's record and report (form Wheat 521),



you must make a report on form Wheat 512 to the treasurer of this county committee in connection with each purchase which is not so identified. A book, containing forms Wheat 512 and the instructions for their use, is attached. Additional books will be furnished at your request.

2. If wheat marketed to you is identified by an intermediate buyer's record and report (form Wheat 521), a report in connection with the transaction must be made by submitting the original of the form Wheat 521 to the treasurer of the county committee.

The reports must be made not later than 15 calendar days after the wheat is purchased. If wheat purchased by you is identified by the producer by a marketing card (form MQ-656-Wheat) or a marketing certificate (form Wheat 511-A), no report in connection with the transaction is required.

The following records are required to be kept:

1. A copy of each form Wheat 512 executed by you as indicated above.

2. A copy of each intermediate buyer's record and report (form Wheat 521) by which wheat purchased by you is identified by the seller.

3. For each amount of wheat purchased, acquired, or received from the producer or an intermediate buyer, you are required to make a record of the information indicated by the columnar headings of the attached form Wheat 520. In the heading over columns (b) and (c) the number "511" is replaced by the number "656", which is the designation of the 1942 wheat marketing card (form MQ-656-Wheat). This record of wheat purchased, acquired, or received may be kept as a part of the records ordinarily maintained by you in the conduct of your business. It is preferred that in complying with this requirement, you make no change in the records ordinarily kept by you other than may be necessary to make a record of some information not previously entered on your records or accounts. The record should be kept on form Wheat 520 only if (1) you desire to keep a separate record or (2) the records kept in your business will not show the required information. A supply of forms Wheat 520 will be furnished for this purpose at your request.

The regulations governing the marketing of wheat apply to the marketing of mixtures of wheat and small grains. A mixture of wheat and small grains, when identified by a marketing card issued to the producer, will be evidence to the buyer that the wheat contained in the mixture is not subject to the penalty. If the producer does not identify the mixture by the marketing card, the buyer will be required to pay the penalty on each bushel of the mixture purchased and to make and keep the reports and records outlined above.

The lien for the penalty will be enforced against the first warehouseman, elevator operator, feeder, or other processor who acquires title to the wheat from a producer or intermediate buyer and also against an



intermediate buyer who, prior to the time the wheat is marketed to a warehouseman, elevator operator, feeder, or other processor, acquires title to the wheat. The wheat marketing penalty does not apply to wheat marketed by a warehouseman, elevator operator, feeder, or other processor to another or by one intermediate buyer to another.

The payment of an amount of wheat in lieu of a cash milling or processing charge is defined in the regulations as a barter or exchange. The processor or miller is therefore a transferee and is not required to pay any penalty with respect to the toll wheat. The miller or processor is required, however, to keep a record of the transaction but is not required to make a report with respect to toll wheat. The miller or processor is not required to identify wheat which is acquired by him and later sold but he may be required by the person buying the wheat to identify himself as a miller or processor.

The Wheat marketing penalty does not apply to wheat delivered by a producer to a miller or processor for grinding into flour or feed, whether or not the processed goods returned to the producer was ground from the wheat delivered to the miller or processor by the producer.

Where a cash charge is made for milling or processing wheat, the miller or processor will not require the wheat to be identified by a marketing card, marketing certificate, or intermediate buyer's report and he will not be required to pay any penalty, make any report, or keep any record in connection with the transaction.

Where a producer transfers title to his wheat to another in payment of a preexisting indebtedness, or purchases certain goods and delivers in payment therefor an amount of wheat which, it is agreed, has an exchange value or a cash market value equal to the cash value of the goods purchased, the transaction would constitute a sale and the lien for the penalty will be enforced against the person who acquires the wheat from the producer.

In the event the regulations relating to the identification of wheat, the payment of penalties, or the keeping of records or the making of reports, as outlined above, are not complied with by an elevator operator, warehouseman, grain dealer, or processor, it will be necessary for him to make a special report, upon the request of the county committee, on form Wheat 520 in connection with all wheat purchased during all or a portion of the marketing year.

This committee will assist you in every way possible and it is requested that you communicate with it at once if you have any questions concerning the payment of penalties and the keeping of records or the making of reports."

(end of sample letter)

Sec. 104 Issuing Forms Wheat 512 and Wheat 521

Forms Wheat 512 shall be issued to warehousemen, elevator operators, feeders, or other processors and buyers other than intermediate buyers,



and forms Wheat 521 shall be issued to intermediate buyers in accordance with the following instructions:

(a) Form Wheat-A as register for forms issued. Separate registers shall be kept on forms Cotton 614 for the issuance of forms Wheat 512 and Wheat 521. The forms Cotton 614 used for this purpose shall be known as forms Wheat-A and the legend "Cotton 614" appearing thereon shall be deleted and the legend "Wheat-A" substituted therefor. Forms Wheat-A shall be prepared and executed as follows:

(i) Form Wheat-A shall be prepared in the original only.

(ii) In the spaces indicated enter the State and county code numbers and the page numbers.

(iii) In the space provided after the words "Marketing Year" enter the legend "1942 crop of wheat."

(iv) Alter the expression "Forms Cotton \_\_\_\_\_" to read "Forms Wheat \_\_\_\_\_" and insert the figure "512" or "521" as the case may be, in the blank space in the expression so altered.

(v) Record each book of forms Wheat 512 or Wheat 521, or portion of a book of such forms, on a separate line.

(vi) In column B enter the name of the warehouse, elevator, processor, feeder or intermediate buyer to whom the forms are issued.

(vii) In column C enter the serial number of the first set of forms contained in the book, preceded by the letter "U" in the case of forms Wheat 512 and the letters "IB" in the case of forms Wheat 521. Insert a dash (-) after the serial number of the first set of forms and enter thereafter the last two digits of the last set of forms contained in the book or portion of a book.

(viii) Enter in column D the date on which the forms are issued.

(ix) It will not be necessary for the person to whom the forms are issued to acknowledge receipt thereof by signing in column E.

(x) Forms Wheat-A shall be kept in a binder in the county office.

(b) Delivery of Forms Wheat 512 and Wheat 521. Forms Wheat 512 or Wheat 521 may be delivered directly to each warehouseman, elevator operator, feeder, or other processor or intermediate buyer in the county or may be mailed or forwarded to him. At the time of delivery, the county committee should explain, by written or verbal information, the use and execution of the forms and the nature of the duties and responsibilities of the recipient under the wheat marketing quota provisions.

D. Issuing Marketing Cards and Certificates and Avoiding or Postponing the Penalty.



Sec. 105 Issuing wheat marketing cards. Wheat marketing cards (forms MQ-656-Wheat) shall be issued in accordance with the following instructions:

1. Conditions under which marketing cards are issued. (a) Persons eligible to receive marketing cards. The persons eligible to receive marketing cards are (1) producers and (2) persons who have on hand penalty free wheat of a crop prior to the 1942 crop which was produced by or for them but who are not engaged in the production of a 1942 crop of wheat. A marketing card for a producer is issued with respect to a farm and, in the event a producer has an interest as a wheat producer in more than one farm, separate marketing cards are issued with respect to the different farms. A marketing card for a person other than a producer is issued with respect to the specific wheat which the person has on hand from a previous crop and may be issued then only after the person applies for the issuance of a marketing card and establishes to the satisfaction of the county committee the fact that he has on hand penalty free wheat carried over from a previous crop which was produced by or for him.

(b) Farms with no farm marketing excess. The producers on a farm for which no farm marketing excess is determined (refer to Sec. 102, paragraph 1) are eligible to receive marketing cards. The county committee shall issue a marketing card to the operator and, unless the county committee determines that it will not serve a useful purpose, to other producers on the farm.

(i) Experimental wheat farms to which the penalty does not apply (see Sec. 903, MQ-603-Wheat).

(ii) Farms on which the acreage planted to wheat plus any acreage of volunteer wheat which reaches maturity is in excess of the farm acreage allotment but the county committee has, pursuant to Sec. 405 of MQ-603-Wheat, adjusted the farm marketing excess to zero.

(c) Farms with a farm marketing excess. The producers on a farm for which a farm marketing excess is determined (that is, all farms on which wheat is planted, except those farms which come within one or more of the six classes enumerated in paragraph (b) above) are not eligible to receive marketing cards except under the following conditions:

(i) The penalty on the farm marketing excess if paid to the treasurer of the county committee by one or more of the producers having an interest in the 1942 crop of wheat produced on the farm (see Secs. 501 and 703 of MQ-603-Wheat).

(ii) The penalty on the farm marketing excess has been deducted from the price received by the producers in the sale of wheat produced on the farm even though the amount so deducted has not been remitted to the treasurer of the county committee by the buyer (see Secs. 501 and 704 of MQ-603-Wheat). Comment: If a marketing card has not been issued for a farm, the buyer of wheat produced on the farm is required to pay the penalty on each bushel purchased. The buyer may deduct from the price paid for the wheat an amount equivalent to the penalty which the buyer must pay. If the buyer does deduct the amount equivalent to the



e penalty due on the farm marketing excess, the producer may, upon establishing the fact, be issued a marketing card. The producer will be able to establish the fact by presenting to the county office his copy of form Wheat 512 or 521 covering the transaction which shows that the amount was deducted. If the buyer remits the amount deducted, the producer is not required to prove that the amount was deducted in order to obtain the marketing card. If the amount deducted was not remitted, the county office shall make a record of the name of the buyer, the name of the producer, the amount of wheat purchased, the date, and the amount of the penalty and notify the buyer to remit the amount of the penalty within 15 days after the date of the purchase.

(iii) The penalty on the farm marketing excess has been remitted to the treasurer of the county committee by a buyer (See Secs. 501 and 704 of MQ-603-Wheat). Comment: The penalty paid by a buyer for wheat purchased by him which was produced on a farm for which a marketing card was not issued is credited to the farm, for the purpose of issuing marketing cards, whether the buyer deducted an amount equivalent to the penalty from the price paid for the wheat or the penalty was paid by the buyer without deducting the amount thereof from the price paid for the wheat. The penalty cannot be credited to the farm, if it was not deducted from the price paid for the wheat, until the penalty is actually received by the treasurer of the county committee.

(iv) The farm marketing excess has been stored (see Secs. 501 and 708 of MQ-603-Wheat and Sec. 109 of these instructions). Comment: The fact that the producers on the farm have on hand wheat of the 1942 crop in an amount equal to the farm marketing excess which has not been marketed does not constitute storage of the wheat for the purpose of issuing marketing cards or postponing the payment of penalties. The wheat must be stored strictly in accordance with the provisions of the regulations before the producers will be eligible to receive marketing cards without the payment of the penalty on the farm marketing excess.

(v) The farm marketing excess has been delivered to the Secretary of Agriculture (see Secs. 501 and 709 of MQ-603-Wheat and Sec. 110 of these instructions).

(vi) Any two or more of the conditions outlined in items (i) through (v) above have been performed. Comment: The producers on a farm for which a farm marketing excess is determined may elect to store a portion of the farm marketing excess to postpone the payment of the penalty or to deliver a portion to the Secretary of Agriculture and be eligible to receive marketing cards if the penalty on that portion of the farm marketing excess which is not so stored or delivered has been paid by the producers, deducted from the price received for the wheat, or paid by the buyer.

(d) Multiple farms. A producer who has an interest in the 1942 crop of wheat produced on more than one farm is considered a multiple farm producer. If a farm marketing excess is not determined for any



farm in a county in which the multiple farm producer has an interest as a wheat producer, the multiple farm producer is eligible to receive a marketing card for each farm in the county in which he has an interest as a wheat producer. If a farm marketing excess is determined for any one or more of the farms in a county in which the multiple farm producer has an interest as a wheat producer, the multiple farm producer is not eligible to receive a marketing card for any farm in the county until the conditions specified in paragraph (c) above have been satisfied for all such farms in the county in which he has an interest. If a multiple farm producer has an interest as a wheat producer in farms located in two or more counties, the multiple farm provisions may be extended to apply to any or all farms in the several counties if the county committees of the respective counties so agree or if the State committee so decides. The multiple farm provisions should be extended to cover the farms in several counties in any case where the multiple farm producer actively participates in the management of the farms and the marketing of wheat produced thereon so that it is likely that marketing cards issued in one county would be misused and result in difficulties in obtaining the payment of penalties for farms in other counties.

The producers, other than the multiple farm producer, who have an interest in the 1942 crop of wheat produced on a farm for which a farm marketing excess is not determined, may be issued marketing cards notwithstanding the fact that the multiple farm producer is ineligible to receive a marketing card for the farm. (See Sec. 501(b), MQ-603-Wheat).

(e) Farms for which marketing cards cannot be issued. A marketing card may not be issued with respect to any of the following kinds of farms:

(i) A farm on which no wheat is planted, except that, upon request of the producer, a marketing card may be issued to the producers on a farm from which a mixture of wheat and other grains is harvested but on which no acreage was classified as planted to wheat.

(ii) A farm on which wheat is planted but on which it is determined that no wheat is harvested.

(iii) A farm for which measurements cannot be made because the owner or operator prevented the measuring of the farm unless the producer establishes the total number of bushels of wheat produced in 1942 and the farm marketing excess as adjusted has been stored, delivered to the Secretary, or the penalty on such excess has been paid. (See Sec. 4-3(b), MQ-603-Wheat). Comment: If any producer on the farm has an interest in another farm, a marketing card may not be issued to the producer for any farm in which he has an interest as a wheat producer.

(iv) A farm for which a farm marketing excess is determined but to which the penalties are not applicable because the acreage of wheat harvested thereon in 1942 is not in excess of 3 acres for each farm family living on the farm and having an interest as a wheat producer in the wheat crop grown thereon. (Not applicable in Oklahoma and Texas).



(see Sec. 905, MQ-603-Wheat). Comment: The exemption from the penalties is applicable only if no wheat produced in 1942 on the farm is marketed by sale. If the producers desire to market by sale any of the wheat produced in 1942 on the farm, they may be issued marketing cards if the penalty on the farm marketing excess is paid or the farm marketing excess is stored or delivered to the Secretary of Agriculture (see items (i) through (vi) of paragraph (c) above).

2. Issuing marketing cards. (a) Allocation of marketing cards. In allocating wheat marketing cards, form Cotton 614 shall be used as the register of marketing cards to be issued. The forms Cotton 614 used for this purpose shall be known as forms Wheat-A and the legend "Cotton 614" appearing thereon shall be deleted and the legend "Wheat-A" substituted therefor. Wheat marketing cards shall be allocated on form Wheat-A to the operator of each farm in the county for which a wheat acreage allotment was established or on which wheat is planted. Form Wheat-A shall be prepared as follows:

- (i) Form Wheat-A shall be prepared in the original only.
- (ii) In the spaces indicated enter the State and county code numbers and the page numbers.
- (iii) In the space provided after the words "Marketing Year". enter the legend "1942 Crop of Wheat".
- (iv) Alter the expression "Forms Cotton \_\_\_\_" to read "Forms Wheat \_\_\_\_" and insert the figures "656" in the blank space in the expression as altered.
- (v) The information and data for each farm for which a wheat acreage allotment and normal yield per acre of wheat were established shall be entered in the numerical order of the farm serial numbers within the county. The entries for each farm shall be made on a separate line.
- (vi) In column A enter the serial number of the farm.
- (vii) In column B enter the name of the operator of the farm.
- (viii) In column C enter in numerical order the serial numbers of the marketing cards, beginning with the first serial number of the marketing cards consigned to the county.
- (ix) Forms Wheat-A shall be placed in a binder and retained in the county office.
- (x) In order to facilitate the determination of producers who are eligible to receive marketing cards, columns D and E of form Wheat-A may be divided into five columns for the purpose of listing the acreage of wheat; the farm acreage allotment; the excess acreage; the normal yield per acre; and the farm marketing excess. This procedure is not required but may prove helpful in cases where there are a large number of farms for which a marketing excess is determined or which have not been measured.



(b) Preparation of marketing cards. Upon completing the allocation, as outlined above, the marketing card for each farm shall be prepared by entering, in the spaces provided, the following:

(i) The names of the county and State and the farm serial number.

(ii) The name and full mail address of the producer.

(iii) The marketing card shall not be executed, that is signed or dated by the issuing officer of the county committee at this time.

(iv) Enter in the space provided on the receipt portion of the card the State and county code and farm serial numbers.

c. Filing marketing cards prior to execution and delivery. Marketing cards prepared in accordance with the foregoing instructions shall be divided into four groups; namely, (1) cards for farms for which no farm marketing excess is determined, (2) cards for farms for which a farm marketing excess is determined, (3) cards for farms for which measurements cannot be made and (4) cards for operators who owe penalties on the 1941 crop of wheat. All marketing cards for a multiple farm producer who has an interest in any farm in the county which comes within the second or third group shall be filed with the second or third group, as the case may be. The marketing cards within each group shall be filed, insofar as practicable, in farm serial number order so that they will be readily available for execution by a member of the county committee and delivery when it is determined that the operator of the farm for which the card was prepared is eligible to receive a marketing card. The marketing cards in groups (2) and (3) shall be kept in the county office in such a manner that they will be separated from the marketing cards in group (1).

(d) Execution of marketing cards. After it has been determined that the operator of a farm is eligible to receive a marketing card, the card allocated to the operator, as provided in paragraph (a) above, for each farm in which he has an interest shall be executed by the issuing officer of the county committee signing the card in the spaces thereon and entering the date of his signature. Whenever a farm marketing excess is determined for a farm and the producer becomes eligible to receive a marketing card under the provisions of paragraph 1 (c) above, there shall be entered in column F of form Wheat-A, at the time the marketing card is executed by the issuing officer, a notation of the conditions under which the producer became eligible to receive a marketing card. The notation shall be made by entering in column F which ever of the following expressions, or combination of expressions, describe the condition: "Penalty paid - producer"; "Penalty paid - buyer"; "Excess stored - warehouse receipts"; "Excess stored - bond"; "Excess stored - escrow"; or "Excess delivered".

The issuing officer for the county committee shall be a member of the committee, the treasurer of the county committee, or a clerk, but in no event should more than one issuing officer other than members of the county committee be designated by the county committee.



(e) Allocation of marketing cards to producers other than the farm operator. A marketing card shall be issued to each producer, other than a farm operator, who is eligible to receive a marketing card and requests that one be issued to him, unless the county committee determines that the issuance of a card to him will not serve a useful purpose. In counties where only two producers customarily share in the wheat produced on a farm and the wheat crop is generally divided so that each producer markets his share in the crop individually, a marketing card may be allocated to the other producer at the same time the marketing card is allocated to the farm operator in accordance with paragraph (a) above. In that event, the marketing cards for each farm should be listed on separate lines of form Wheat-A and allocated in numerical sequence to the various farms in accordance with the numerical order of the farm serial numbers. A record of each card to be so issued shall be kept on form Wheat-A, prepared in the original only, as follows:

(i) The spaces provided in the heading of form Wheat-A should be executed as outlined in items (i) through (iv) of paragraph (a) above.

(ii) List the information for all producers on a particular farm on consecutive lines insofar as practicable.

(iii) In column A enter the farm serial number.

(iv) In column B enter the name of the producer to whom the marketing card is allocated.

(v) In column C enter the printed serial number of the marketing card allocated to the producer.

(f) Preparation and execution of marketing cards allocated to producers other than the farm operator. Enter on marketing cards allocated to producers other than the farm operator the same information required to be entered on marketing cards allocated to the operator, except that the name of the producer to whom issued shall be entered in the space provided. The marketing cards so prepared shall be executed by the issuing officer signing the card in the space provided and entering the date of his signature.

(g) Preparation and execution of marketing cards issued to producers marketing a mixture of wheat and other grains from a farm on which no acreage was classified as planted to wheat. A marketing card shall be allocated, prepared, and executed pursuant to the foregoing instructions, except that: (1) The marketing card will be issued only upon the request of the producer, and (2) the word "Mixture" shall be entered in column F of form Wheat-A as a record of the condition under which the marketing card was issued.

(h) Cancellation of marketing cards prepared for producers who are not eligible to receive marketing cards. If it is determined that a marketing card may not be issued with respect to a producer under the conditions outlined in paragraph 1 above, the marketing card prepared for issuance pursuant to the foregoing instructions shall be canceled



by entering thereon the word "Canceled". The notation "Canceled" shall be entered in column F of form Wheat-A opposite the description of the marketing card which is canceled. The canceled marketing cards shall be placed in a separate file in numerical sequence so that the disposition of marketing cards consigned to the county may be properly accounted for.

(i) Delivery of marketing cards. A marketing card cannot be delivered for any farm until the acreage of wheat is determined. A marketing card cannot be delivered for any farm for which a farm marketing excess is determined until the conditions outlined in paragraph 1(c) above have been performed. Marketing cards shall be mailed or delivered to eligible producers in the following manner:

(i) Delivery by mail. Marketing cards prepared for issuance in accordance with the foregoing instructions may be mailed directly to producers eligible to receive marketing cards. The receipt portion of the card should be detached and plainly marked to show the fact that the card was mailed, the date of mailing, and the address to which mailed. The receipt shall be filed in the county office in the numerical order of the marketing card serial numbers.

(ii) Personal delivery. Marketing cards prepared for issuance in accordance with the foregoing instructions may be delivered directly to producers. Marketing cards may be delivered to the agent of a producer in cases where (1) the producer is a corporation or other legal entity, (2) the producer is a natural person whose business is customarily handled by an agent, and (3) the requirement that the producer call for and receive the marketing card would impose an unreasonable hardship upon him and delivery of the marketing card by mail cannot be accomplished. The producer or his agent shall sign his name and enter the date in the spaces provided on the card and the receipt portion thereof, and the receipt shall be detached and filed in the county office in the numerical order of the marketing card serial numbers. The full mail address of the producer shall be entered on the receipt portion of the card at the time the card is delivered.

3. Cancellation of marketing cards issued in error. In case any marketing card is erroneously issued, the county committee shall cancel it in accordance with Sec. 504 of MQ-603-Wheat. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered on the receipt on file for the marketing card and in column F of form Wheat-A opposite the serial number of the canceled marketing card. The legend "Canceled" shall be entered across the marketing card that is canceled.

Sec. 106. Issuing Wheat Marketing Certificates. Wheat marketing certificates (forms Wheat 511-A) shall be issued in accordance with the following instructions:

1. Conditions under which marketing certificates are issued. Forms Wheat 511-A will be issued only for a transaction in which the producer has



already arranged to market a specific amount of wheat. Forms Wheat 511-A will be issued only upon the request of the producer and then only to any producer -

a. To whom a marketing card was issued and who desires to market wheat by telephone, telegraph, mail, or by any means or method other than directly to and in the presence of the buyer, or transferee.

b. Who has no excess wheat of the 1942 crop but has excess wheat of the 1941 crop for which the penalty has not been satisfied and who desires to market wheat of the 1942 crop, or

c. Whose liability has been reduced to a proportionate share of the entire penalty in accordance with Sec. 703(a) of MQ-603-Wheat and paragraph 8, Sec. 102, of these instructions.

2. Issuance of Forms Wheat 511-A. (a) Preparation of forms Wheat 511-A. Form Wheat 511-A shall be prepared in the county office as follows, prior to the time the form Wheat 511-A is issued:

(i) In the spaces provided enter the names of the State and county and the code numbers thereof, the farm serial number, the serial number of the marketing card allocated to the producer and the marketing year.

(ii) In the spaces provided enter the name and full mail address of the producer to whom the marketing card was issued and to whom form Wheat 511-A is to be issued.

(iii) In the space provided in part II, after the words "The undersigned certifies that", enter the number of bushels of wheat involved in the transaction. Comment: For a form Wheat 511-A issued pursuant to paragraph 1(c) above, the number of bushels (or the sum of the entries on the two or more forms Wheat 511-A) shall not exceed the producer's share in the 1942 crop.

(iv) In the spaces provided in part II, enter the date of the transaction, if known.

(v) In the spaces provided in part II, enter the name and full mail address of the buyer or transferee to whom the wheat is to be marketed, if known.

(vi) Part I shall be executed by the issuing officer of the county committee signing his name and entering the date of his signature.

(vii) The producer shall sign his name in the space provided in part II and enter therein the date of his signature and the place at which the form was executed.



(b) Record of issuance of forms Wheat 511-A. A record of the issuance of each form Wheat 511-A shall be made on form Cotton 614, after the designation of the form has been changed to form Wheat-A. Form Wheat-A shall be prepared, in the original only, as follows:

(i) Beneath the title of the register, enter the legend "Forms Wheat 511-A".

(ii) In column A enter the farm serial number.

(iii) In column B enter the name of the producer to whom the form Wheat 511-A is issued.

(iv) In column C enter the serial number of the form Wheat 511-A. Forms Wheat 511-A consigned to the county should be issued in numerical sequence, beginning with the Form Wheat 511-A bearing the lowest serial number.

(v) In column F enter the serial number of the marketing card issued to the producer in connection with which the form Wheat 511-A is issued.

(c) Distribution of forms Wheat 511-A. Forms Wheat 511-A issued as outlined above shall be distributed as follows:

(i) The original shall be issued to the producer to be delivered by him to the buyer or transferee in any manner consistent with the nature of the transaction.

(ii) The copy shall be retained in the county office.

Sec. 107. Lost, destroyed, or stolen marketing cards or certificates. In case any marketing card or certificate is lost, destroyed, or stolen, the county committee may issue a new marketing card or certificate to the producer in accordance with Sec. 503 of MQ-603-Wheat. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of the marketing card or certificate shall be filed in the folder for the farm. In case a lost, destroyed, or stolen marketing card or certificate is to be replaced, the county committee shall list the new marketing card or certificate on the form Wheat-A for issuance in accordance with the procedure contained in the foregoing paragraphs of this letter, except that:

(i) The word "Duplicate" shall be stamped across the face of the newly issued marketing card or certificate.

(ii) The legend "Lost", "Destroyed", or "Stolen" shall be entered in column F of Form Wheat-A opposite the entry showing the issuance of the duplicate marketing card.

(iii) The legend "Canceled-Lost", or "Canceled-Destroyed", or "Canceled-Stolen" shall be entered in column F of form Wheat-A opposite the serial number of the lost, destroyed, or stolen marketing card.



Sec. 108. Lists of marketing card serial numbers for buyers and transferees. The county committee shall not prepare, for distribution to buyers and transferees, lists containing the farm serial numbers, names of farm operators and producers, marketing card serial numbers and the amounts of farm marketing excesses determined for the farms. In addition to this prohibition, the county committee shall not advise any buyer or transferee of the serial number of the marketing card issued or prepared for issuance to a producer and shall not advise any buyer or transferee of the amount of the farm marketing excess determined for a farm from which wheat has been purchased or acquired or for the purchase or acquisition of which the buyer or transferee is negotiating.

Sec. 109. Storage of wheat to postpone the payment of the penalty or with a view to avoiding the penalty. Marketing quotas for wheat have as their primary objective the withholding from the market of wheat which is in excess of the farm marketing quotas. Penalties are imposed upon the marketing of the excess wheat as a means of inducing the producer to refrain from marketing the excess wheat. The penalties are in no way imposed as a revenue measure. The attainment of the objectives of marketing quotas depends upon the efforts of county committeemen and county office employees in explaining to producers the provisions for storing excess wheat to postpone the payment of the penalty or with a view to avoiding the penalty. In explaining the storage provisions to producers on farms for which no 1942 wheat acreage allotment was established, special consideration should be given the possibility that the penalties incurred in 1942 cannot be avoided in 1943 under the "underplanting" or "less than normal" provisions because of the size of the acreage allotment which may be established in 1943. The following instructions should be observed in carrying out the provisions of Section 708 of MQ-603-Wheat governing the storage of the farm marketing excess:

1. Amount of wheat which may be stored. The producers on a farm may store any amount of wheat in order to postpone or avoid the payment of the penalty. It is not necessary that the producers store the entire amount of the farm marketing excess. Any portion or all of the farm marketing excess may be stored and the payment of the penalty on that portion which is stored will be postponed for as long as the wheat is stored. The penalty must be paid, however, on that part of the farm marketing excess which is not stored, or delivered to the Secretary of Agriculture, or which the county committee finds has been destroyed by some cause within the control of the operator. (See Secs. 703(b) and 708(g) MQ-603-Wheat.)

The maximum amount to be stored will be the amount of the farm marketing excess determined on the basis of normal production of the excess acres under Sec. 403 of MQ-603-Wheat. If the farm marketing excess has been adjusted on the basis of actual production under Sec. 405 of MQ-603-Wheat at the time of storage, the adjusted farm marketing excess will be used in determining the maximum amount to be stored.

The number of bushels of wheat of the farm marketing excess on which the penalty will be postponed or avoided will be the number of bushels actually stored. The value of the wheat stored will not be



considered. (For example, if the farm marketing excess for a farm is 100 bushels, the producers must store 100 bushels in order to postpone or avoid the penalty. The storage of a number of bushels of wheat of a market value equivalent to the penalty on the farm marketing excess will not be sufficient.)

2. When wheat may be stored. Wheat may be stored in order to postpone or avoid the payment of the penalty at any time within sixty calendar days next succeeding the date established by the State Committee as the date on which the threshing of wheat is normally substantially completed in the county. This is the maximum amount of time in which the producers may elect to take advantage of the storage provisions. The storage may take place at any earlier date. The producers may store wheat within the time allowed even though the penalty on the farm marketing excess has been paid. In that event, the amount of penalty which was paid on that portion of the farm marketing excess which is stored would be refunded or could be used by the producers as a deposit of funds to be held in escrow to secure the payment of the penalty (see paragraph 10 below).

3. Persons eligible to store wheat. Any producer on the farm may store wheat to postpone or avoid the payment of the penalty or the producers on the farm may act jointly in storing the wheat. The amount of wheat which is stored, whether the wheat is stored by one producer or all producers, jointly, in connection with a farm will be credited to the farm for the purpose of issuing marketing cards and paying penalties. (For example, if one producer stores an amount of his share of the wheat produced on the farm equal to the farm marketing excess, marketing cards could be issued with respect to the farm to all producers entitled to share in the wheat crop produced thereon. If the farm marketing excess for the farm were 200 bushels and one producer stored 100 bushels, marketing cards could not be issued with respect to the farm until the remaining 100 bushels were stored or delivered to the Secretary of Agriculture or the penalty thereon was paid except that a marketing certificate might be issued pursuant to Sec. 106, Paragraph 1(c) of these instructions. The producer who stored the 100 bushels and the producer who did not store would each be liable to pay the penalty on the 100 bushels of the farm marketing excess which is not stored or delivered to the Secretary of Agriculture, except as provided in Sec. 703(c) of MQ-603-Wheat and paragraph 8, Sec. 102 of these instructions.)

4. Wheat eligible to be stored. Any wheat of the 1942 crop which was produced on the farm may be stored. The grade or quality of the wheat or its market value will not be considered for this purpose. The producers may not purchase wheat or warehouse receipts to obtain wheat to be stored for this purpose.

5. Conditions of storage in order to postpone or avoid the payment of penalties. The mere storage of wheat or the possession of unmarketed wheat is not sufficient to postpone or avoid the payment of penalties. In order for the storage of wheat to be effective for this purpose, the



producer must, in addition to storing the wheat, perform one or more of the following conditions precedent:

a. Deposit in escrow with the treasurer of the county committee in which the farm is located warehouse receipts covering the amount of wheat stored.

b. Deliver to the treasurer of the county committee in which the farm is located a bond of indemnity executed on form Wheat 523 or on Wheat 523-A to secure the payment of the penalty on the amount of wheat stored.

c. Deposit with the treasurer of the county committee in which the farm is located funds to be held in escrow to secure the payment of the penalty on the amount of wheat stored.

6. Deposit of warehouse receipts. (a) Issuing receipts for warehouse receipts deposited in escrow with the treasurer of the county committee. The treasurer of the county committee may accept negotiable or non-negotiable warehouse receipts. Whenever a producer delivers a warehouse receipt to the treasurer of the county committee to be held in escrow pursuant to section 708 (c) of MQ-603-Wheat, the producer shall be given a receipt therefor on a typed or mimeographed form executed in duplicate to show the following:

(i) The name and address of the producer.

(ii) The State and county code numbers and the serial number of the farm on which the stored wheat was produced.

(iii) The serial number of the warehouse receipt and whether it is a negotiable or a non-negotiable instrument.

(iv) The name and address of the warehouse which issued the receipt.

(v) The date on which the warehouse receipt was received by the treasurer of the county committee.

(vi) The number of bushels covered by the warehouse receipt.

(vii) The signature and title of the treasurer of the county committee.

The duplicate shall be attached to the warehouse receipt.

(b) Safe-keeping of warehouse receipts. The treasurer of the county committee shall keep warehouse receipts accepted in a safe place which will afford the greatest security against their loss, destruction, or theft. The county committee should arrange for a safety deposit box in a local bank in which the warehouse receipts may be deposited. In the case of negotiable warehouse receipts, the producer should not endorse the receipts.



(c) Non-negotiable warehouse receipts. In the case of non-negotiable warehouse receipts, the producer and the treasurer of the county committee shall notify the warehouseman in writing that a warehouse receipt has been so deposited in escrow and that the delivery of the wheat covered thereby is not to be made to any person until the receipt has been released and the conditions under which it was deposited have been satisfied. The notice shall set forth an adequate description of the receipt and the amount of wheat covered thereby. The notice may be signed jointly by the producer and the treasurer of the county committee or they may give separate notices. A copy of each notice shall be retained in the files of the county committee.

(d) Release of warehouse receipts. The warehouse receipts deposited in escrow shall be released to the producer only in the event (1) the penalty on the wheat covered thereby is paid or deposited in escrow or (2) the depletion of the amount stored is authorized (see Sec. 703(f), (g) and (h) MQ-603-Wheat) in whole or in part. If the depletion of only a portion of the wheat stored is authorized, the producer must pay the penalty on that portion of the amount stored for which the depletion is unauthorized or deposit other warehouse receipts covering that portion for which depletion is unauthorized prior to the time the warehouse receipts are released.

When a producer becomes eligible to secure a release of a warehouse receipt held in escrow he should be required to surrender the receipt previously issued to him by the treasurer of the county committee. If the receipt for the warehouse receipt is not surrendered by the producer when the warehouse receipt is released to him, such fact should be indicated on the duplicate copy of the receipt for the warehouse receipt and the notation signed by the producer as evidence of the fact that the warehouse receipt covered thereby has been returned to him.

7. Bond of indemnity on form Wheat 523. (a) Conditions under which a bond may be accepted. A bond of indemnity is intended to secure the payment of a penalty which is being postponed or may be avoided because wheat is stored. In no event should a bond of indemnity be accepted for any farm if the county committee determines that all wheat produced on the farm has been marketed and that no wheat will be available for storage. A bond should not be accepted for any farm if the county committee determines, in view of the circumstances, that the acceptance thereof would not adequately secure the payment of the penalties or that the bond is not tendered in good faith but will be used as a device to evade the payment of penalties.

A bond of indemnity must be executed and tendered for one farm and shall not be given to secure the payment of the penalty for more than one farm.

(b) Qualifications of the principal. The principal under a bond of indemnity must be the owner or operator of the farm for which the bond is given.



(c) Qualifications of sureties. Each surety under a bond of indemnity shall be an owner of real property situated within the county of an unencumbered value of double the principal sum of the bond and which is not exempt from execution and, in addition, shall, in the opinion of the county committee, be financially able to answer for the amount of the penalties. In considering whether the surety is financially able to answer for the amount of the penalties, the county committee should determine whether he is or will be eligible to receive payments under the various programs. It is not essential that he be eligible to receive such payments but, if he is not eligible, his financial position should be examined with even greater care. Neither a producer on the farm nor an employee of the county agricultural conservation association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. The county committee shall explain to each surety that the penalties shall be paid at the time, and to the extent, of any unauthorized depletion in the amount of wheat stored and that the amount of wheat stored shall be taken to have been depleted if, at any time, the producers on the farm prevent the inspection of any wheat stored.

(d) The principal sum of the bond. The principal sum of the bond shall be the result obtained by multiplying by the applicable rate of penalty the number of bushels of wheat to be stored. The principal sum of the bond shall not, however, exceed the result obtained by multiplying by the applicable rate of penalty the number of bushels of wheat in the farm marketing excess for the farm.

(e) Execution of the bond. Each bond of indemnity shall be executed in duplicate. The original shall be filed with the treasurer of the county committee and the copy shall be retained by the principal. The county committee shall verify the sufficiency and form of the bond of indemnity and indicate its approval thereof as follows:

(1) In the spaces provided enter the State and county code and farm serial number.

(2) Determine that, in the spaces provided,

(i) The name of the owner or operator of the farm appears as principal;

(ii) The names of the county and State are entered;

(iii) The names of the two sureties are entered;

(iv) The amount of the principal sum entered is not less than the amount of the penalty which would be incurred on the amount of wheat to be stored;

(v) The figure "42" has been entered in the blank spaces following the figure "19" in the first and second paragraphs of the condition of the bond;

(vi) The applicable rate of penalty has been entered in the blank space following the words "the penalty is" in the third paragraph of the conditions of the bond;



(vii) The number of bushels of wheat in the farm marketing excess for the farm has been entered in the blank space provided in the fourth paragraph of the conditions of the bond;

(viii) The number of bushels of wheat on which the penalty for the farm has been paid is entered in the blank space provided in the fifth paragraph of the conditions of the bond (if no penalty was paid, the word "no" should be entered);

(ix) The number of bushels of wheat delivered to the Secretary of Agriculture in connection with the farm should be entered in the blank space provided in the sixth paragraph of the conditions of the bond (if no wheat was so delivered, the word "no" should be entered);

(x) The number of bushels of wheat being stored to postpone or avoid the payment of the penalty should be entered in the space provided in the seventh paragraph of the conditions of the bond (the number of bushels so entered, multiplied by the applicable rate of penalty, should equal the principal sum of the bond);

(xi) The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered in the body of the bond;

(xii) The signatures and addresses of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and

(xiii) The "Justification of Sureties" has been completed and executed and acknowledged before a proper officer.

(3) If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient and the principal is qualified, the "Certificate of County Committee" shall be executed by a member of the committee.

(f) Procedure to be followed where the penalty secured by the bond of indemnity on form Wheat 523 has been paid or otherwise satisfied. When the amount of the penalty secured by a bond of indemnity on form Wheat 523 has been paid or the wheat stored to postpone or avoid the payment of the penalty is no longer subject to penalty, or both, the treasurer of the county committee shall prepare a memorandum showing the conditions under which the penalty is satisfied. The original memorandum shall be attached to the original form Wheat 523 and copies of the memorandum shall be mailed or otherwise delivered to the sureties and the principal. A form Wheat 523 shall not otherwise be canceled or released.

8. Bond of indemnity on form Wheat 523-A (corporate surety). Bonds of indemnity shall be executed on form Wheat 523-A in cases where the owner or operator of a farm selects a corporate surety rather than two owners of real property in the county:



(a) Qualification of a corporate surety. A corporate surety must be authorized to do business in the State in which the farm is situated and must hold a certificate of authority from the Secretary of the Treasury of the United States to act as an acceptable surety on bonds in favor of the United States. A list of surety companies which have been approved for this purpose will be furnished each county by the State office.

(b) Execution of the bond of indemnity on form Wheat 523-A. Any bond executed by a corporate surety shall be executed in quadruplicate on form Wheat 523-A. The bond of indemnity for a corporate surety shall be executed and approved in the manner outlined in paragraph 7(c) of these instructions with such exceptions as may be necessary from the form of the bond.

(c) Execution of the bond of indemnity on form Wheat 523-A in connection with multiple farms. (1) In view of the fact that the premium rate for a bond of indemnity executed on form Wheat 523-A is proportionately less for a large bond than for a small bond, multiple farm owners and operators should be permitted to tender a single corporate surety bond of indemnity covering the farm marketing excess for all farms in a county in which they have an interest rather than tender separate bonds for each farm. The following procedure should be followed in cases where the producer requests that a single corporate surety bond be executed for the several farms in the same county in which he has an interest.

A County Office Memorandum (Multiple Producer) (copy attached) for use by the county office in connection with form Wheat 523-A must be executed as follows in cases where the farm marketing excess for more than one farm is intended to be covered by a single corporate surety bond:

(i) In the spaces indicated in the heading, enter the State and county code numbers, the date, and the name of the principal under the bond of indemnity.

(ii) In column 1, enter the serial number of each farm for which the bond of indemnity is executed.

(iii) In column 2, enter the name of the owner of each farm.

(iv) In column 3, enter the name of the operator of each farm.

(v) In column 4, enter for each farm the amount of the farm marketing excess and, on the total line of column 4, enter the sum of the amounts shown therein.

(vi) In column 5, enter for each farm the amount of wheat, if any, which was delivered to the Secretary of Agriculture, in order to avoid the payment of the penalty and, on the total line of column 5, enter the sum of the amounts shown therein.



(vii) In column 6, enter for each farm the amount of the penalty, if any, paid and, on the total line of column 6, enter the sum of the amounts shown therein.

(viii) In column 7, enter for each farm the number of bushels of wheat being stored to postpone or avoid the payment of the penalty and, on the total line of column 7 enter the sum of the amounts shown therein.

(ix) In column 8, enter for each farm the result obtained by multiplying the entry in column 7 by the applicable rate of penalty and, on the total line of column 8, enter the sum of the amounts shown therein.

b (x) The treasurer of the county committee shall indicate his approval by signing his name in the space provided following the words "Prepared by:"

(2) The bond of indemnity on form Wheat 523-A should be executed as outlined in paragraphs 7(e) and 8(b) of these instructions, with the following exceptions:

(i) In the space provided for showing the State and county code number and the farm serial number, enter the State and county code number and the farm serial numbers entered in column 1 of the County Office Memorandum prepared as outlined in paragraph (c) below.

(ii) The principal sum of the bond shall not be less than the amount of penalty shown on the total line of column 8 of the County Office Memorandum.

(iii) In the first paragraph of the conditions of the bond, following the words "farm serial number," enter the words "shown above."

(iv) In the fourth paragraph of the conditions of the bond, enter the number of bushels of wheat shown on the total line of column 4 of the County Office Memorandum.

(v) In the fifth paragraph of the conditions of the bond, enter the amount on the total line of column 6 of the County Office Memorandum (if no penalty was paid for any of the farms, the word "no" should be entered).

(vi) In the sixth paragraph of the conditions of the bond, enter the amount shown on the total line of column 5 of the County Office Memorandum (if no wheat was delivered to the Secretary of Agriculture for any of the farms, the word "no" should be entered).

(vii) In the seventh paragraph of the conditions of the bond, enter the number of bushels of wheat shown on the total line of column 7 of the County Office Memorandum.



(d) Distribution of copies of the bond of indemnity on form Wheat 523-A. The original and the third copy of each bond of indemnity executed on form Wheat 523-A shall be delivered to the treasurer of the county committee for the county in which the farm is situated. The first copy shall be delivered to the corporate surety, (resident agent of the surety), and the second copy shall be delivered to the principal. The words "Filed with treasurer of the county committee on," followed by the date, should be entered on the original and third copy of each bond of indemnity in the blank space beneath the signatures of the principal and surety.

(e) Procedure to be followed when the penalty secured by the bond of indemnity on form Wheat 523-A has been paid or otherwise satisfied. When the amount of the penalty secured by a bond of indemnity on form Wheat 523-A has been paid or the wheat stored to postpone or avoid the payment of the penalty is no longer subject to penalty, or both, the treasurer of the county committee shall prepare a memorandum in duplicate showing the conditions under which the penalty was satisfied. The original memorandum shall be attached to the original form Wheat 523-A and the duplicate copy shall be mailed or otherwise delivered to the corporate surety (resident agent for the surety) for its convenience in determining whether further premium should be collected.

(f) Examination of the bonds of indemnity on forms Wheat 523-A. The original forms Wheat 523-A should be given careful attention with respect to the following items:

- (i) All blank spaces contain the proper entries.
- (ii) The full name of the corporate surety given on line 3 is the same as the name of the surety shown opposite the seal and the name indicated on the seal, and
- (iii) The full name of the person signing in behalf of the corporate surety is given together with his representative title.

Within a reasonable time after acceptance, the original forms Wheat 523-A shall be forwarded to the State office to be transmitted to the Regional Director. The original forms Wheat 523-A shall then be submitted to the Office of the Solicitor, Department of Agriculture, Washington, D. C., for examination.

Upon completion of the examination, forms Wheat 523-A will be returned to the State office for transmission to the appropriate county offices. The original of form Wheat 523-A will be retained permanently by the treasurer of the county committee.

9. Obligation under a bond of indemnity. Each bond of indemnity, whether executed on form Wheat 523 or form Wheat 523-A, continues in full force and effect during the current and subsequent marketing years and the principal and each surety is liable to pay the penalty on the number of bushels by which the storage amount is depleted during the



current and subsequent marketing years unless the depletion occurs under such conditions that the wheat is not subject to penalty. The amount of wheat stored may be reduced without penalty to the extent of the amount authorized to be depleted under sections 708(f), 708(g), and 708(h) of MQ-603-Wheat. Neither the principal nor the sureties under a bond of indemnity will be required to pay any penalties on the stored wheat in the event that all of it is freed from the penalty under one or more of the foregoing conditions. If a portion but not all of the amount stored may be reduced without penalty, the liability of the principal and sureties under a bond of indemnity is reduced to the extent that the depletion of the storage amount is authorized. Thus it may be seen that the principal and sureties under a bond of indemnity need not pay any penalties if the producers free the stored wheat from marketing restrictions as outlined above. Likewise, no penalties under the bond are required to be paid for so long as the wheat is stored.

10. Funds deposited to be held in escrow. Any producer may deposit funds to be held in escrow to secure the payment of the penalty on wheat which is to be stored in order to postpone or avoid the payment of the penalty. The amount of the funds to be so deposited should be the result obtained by multiplying the number of bushels to be stored by the applicable rate of penalty. The amount of the funds should not exceed the result obtained by multiplying by the applicable rate of penalty the number of bushels of wheat in the farm marketing excess. In any case where the producer pays the penalty, the penalty so paid shall be regarded as funds deposited to be held in escrow since, if the funds are not so regarded, the producer would not be eligible to receive a refund of the amount paid even though the wheat could be marketed without penalty under the conditions enumerated in section 405 MQ-603-Wheat. Wheat will be regarded as stored to avoid or postpone the payment of the penalty only if the conditions outlined in paragraph 5 above have been performed. Penalties received for a farm which were paid by a producer or paid by a buyer and deducted from the price paid for wheat and which would be refunded to the producer if wheat were stored, shall be applied as funds to be held in escrow to secure the payment of the penalty on wheat stored, rather than be refunded, if the producer who would be eligible to receive the refund requests, within the time for complying with the storage provisions, that the funds be so held.

11. Place of storage. Wheat, in order to comply with the storage provisions, may be stored in a warehouse or elevator, on the farm or elsewhere, or be pledged to secure a Commodity Credit Corporation loan. The only requirement concerning the storage of wheat not pledged to secure a Commodity Credit Corporation loan is that the wheat be kept in a place adapted to the storage of wheat and from the dimensions of which the amount of wheat stored may be ascertained. The place of storage must be such that the producer may care for the wheat in a reasonable manner in keeping with the practices generally followed in the locality. If any excess wheat is stored to secure a Commodity Credit Corporation loan, such storage will meet the requirements of the regulations and a marketing card may be issued, provided that a bond of indemnity is executed and accepted or funds in escrow are de-



posited. However, if the amount so stored to secure a loan is withdrawn from the loan and marketed or otherwise depleted, except as authorized in section 708(g) of MQ-603-Wheat, or title to the wheat is taken over by the Commodity Credit Corporation, the funds in escrow will be applied to the payment of the amount of penalties due, or in the case of a bond, the principal and sureties will be liable under the bond for the amount due.

12. Inspection of wheat. It is not necessary that wheat stored be inspected if warehouse receipts are deposited with the treasurer of the county committee. If a bond of indemnity is accepted or funds are deposited in escrow, a representative of the county committee shall, within a reasonable time after the bond or funds are accepted, inspect the amount of wheat stored to determine that not less than the number of bushels secured by the bond or funds has been stored. The wheat stored shall be inspected thereafter at any time when the county committee has reason to believe that the amount stored has been depleted, or prior to the time any excess wheat is released from storage pursuant to Secs. 708(h) and 708(i) of MQ-603-Wheat. The information obtained by inspection of wheat incident to obtaining and receiving a Commodity Credit Corporation loan may be used by the county committee in lieu of any other inspection.

Sec. 110. Delivery of wheat to the Secretary of Agriculture to avoid the payment of the penalty. The following instructions should be observed in carrying out the provisions of section 709 MQ-603-Wheat in cases where producers elect to deliver wheat to the Secretary of Agriculture to avoid the payment of marketing penalties:

1. Amount of wheat which may be delivered. The producers on a farm may deliver any amount of wheat in order to avoid the payment of the penalty. It is not necessary that the producers deliver the entire amount of the farm marketing excess. Any portion or all of the farm marketing excess may be delivered and the payment of the penalty on that portion which is delivered will be avoided. The penalty must be paid, however, on that portion of the farm marketing excess which is not delivered and which is not stored (see Sec. 109 of these instructions and Secs. 703(b) and 708 MQ-603-Wheat).

If the farm marketing excess has not been adjusted at the time of delivery, the initial farm marketing excess will be used in determining the maximum amount of wheat to be delivered. If the farm marketing excess has been adjusted at the time of delivery, the adjusted farm marketing excess will be used in determining the maximum amount of wheat to be delivered. It is of the greatest importance that the county committee explain to each producer who tenders wheat for delivery to the Secretary of Agriculture that none of the wheat delivered will be returned to the producer. This rule will be followed even though the farm marketing excess is reduced subsequently, the amount delivered is in error, or it subsequently develops that no farm marketing excess should have been established for the farm.

The number of bushels of wheat of the farm marketing excess on which the penalty will be avoided will be the number of bushels actually



delivered. The value of the wheat will not be considered. (For example, if the farm marketing excess is 100 bushels, the producer may avoid the penalty by delivering 100 bushels even though the market value of the wheat delivered was less than the penalty which would otherwise be incurred. Likewise, the delivery of a number of bushels of wheat of a market value equivalent to the penalty will not be sufficient. In that event, the penalty would be avoided only on the number of bushels actually delivered.)

2. When wheat may be delivered. Wheat may be delivered in order to avoid the payment of the penalty at any time within 60 calendar days next succeeding the date established by the State Committee as the date on which the threshing of wheat in the county is normally substantially completed. This is the maximum amount of time in which the producers may elect to take advantage of the delivery provisions. The delivery may take place at any earlier date. The producers may deliver wheat within the time allowed even though the penalty on the farm marketing excess was stored previously in order to postpone the payment of the penalty. In either event, the amount of any penalty paid on that portion of the farm marketing excess which is delivered will be refunded and the amount of wheat stored to postpone the payment of the penalty may be depleted without penalty to the extent of the amount of wheat delivered.

3. Producers eligible to deliver wheat. Any producer on the farm may deliver wheat to avoid the payment of the penalty or the producers on the farm may act jointly in delivering the wheat. The amount of wheat which is delivered, whether the wheat is delivered by one producer or all producers jointly, in connection with a farm will be credited to the farm for the purpose of issuing marketing cards and paying penalties. (For example, if one producer delivers an amount of his share of the wheat produced on the farm equal to the farm marketing excess, marketing cards could be issued with respect to the farm to all producers entitled to share in the wheat crop produced thereon and no penalties would be required to be paid in connection with the farm. If the farm marketing excess for the farm were 200 bushels, and was not apportioned in accordance with Sec. 703(c) MQ-603-Wheat, and one producer delivered 100 bushels, marketing cards could not be issued with respect to the farm until the remaining 100 bushels were stored or delivered to the Secretary of Agriculture or the penalty thereon was paid. The producer who delivered the 100 bushels and the producers who did not deliver would each be liable to pay the penalty on the 100 bushels of the farm marketing excess which is not stored or delivered (see Sec. 703(b) MQ-603-Wheat).)

4. Wheat eligible to be delivered. Any wheat of the 1942 crop which was produced on the farm may be delivered. The grade or quality of the wheat or its market value will not be considered for this purpose. A mixture consisting of wheat and other grains or legumes produced on an acreage classified as an acreage of wheat may be delivered. The producers may not purchase wheat or warehouse receipts to obtain wheat to be delivered. Any wheat purchased by the producer is ineligible for delivery to avoid the payment of the penalty. The producers who deliver the wheat are required to covenant that the wheat is free from all liens and encumbrances and that they are the lawful owners of the



wheat. While the county committee is not required to conduct any investigation to determine the facts in this connection, the producer should be advised of the requirements so that he may free the wheat from any lien or encumbrance before delivering it.

5. Conditions of delivery in order to avoid the payment of the Penalty. In order to accomplish the delivery of wheat to the Secretary of Agriculture, the producer must comply with one of the following conditions:

a. Deliver the wheat to an elevator or warehouse and tender to the treasurer of the county committee the elevator or warehouse receipts for the amount of wheat to be delivered.

b. In the event the wheat to be delivered will not be accepted by an elevator or warehouse for the purpose of issuing an elevator or warehouse receipt, the producer must establish this fact to the satisfaction of the county committee and deliver the wheat at some point within or near the county designated by the county committee within the time fixed by the county committee for the acceptance of the wheat.

6. Delivery of elevator or warehouse receipts. The treasurer of the county committee may accept negotiable or non-negotiable elevator or warehouse receipts. The producer or producers who tender the elevator or warehouse receipts shall execute form Wheat 522 in triplicate at the time the elevator or warehouse receipts are tendered. A separate form Wheat 522 shall be executed for each elevator or warehouse receipt. Form Wheat 522 shall be executed as follows:

a. In the first paragraph, following the words "and interest in and to," the number of bushels covered by the elevator or warehouse receipt shall be entered.

b. In the first paragraph, following the words "and farm serial number," the State and county code and farm serial number for the farm for which the wheat is being delivered shall be entered.

c. The description of the elevator or warehouse receipt shall be entered in the spaces provided in the second paragraph.

d. The date on which the form was executed and the place at which it was executed shall be entered in the spaces provided in the last paragraph.

e. Each producer having an interest in the wheat covered by the elevator or warehouse receipt shall sign the form in the space provided for the signature of principal and enter his address.

f. The execution of the form must take place in the presence of two witnesses who shall sign their names and enter their addresses in the space provided.

g. The second copy of the executed form shall be delivered to the producer or producers and the original and first copy shall be



retained by the treasurer of the county committee. If more than one producer has an interest in the wheat delivered, additional copies of the form may be prepared so that a copy may be available for each producer who wants one.

7. Disposition of elevator or warehouse receipts and forms Wheat 522. The second copy of form Wheat 522 shall be retained by the treasurer of the county committee as a record of the fact that the penalty for the farm has been avoided on that number of bushels of the farm marketing excess which have been delivered to the Secretary of Agriculture. The elevator or warehouse receipt should be securely fastened to the original of form Wheat 522. The original of form Wheat 522 and the elevator or warehouse receipt shall be mailed to the State office not later than noon of the business day next succeeding the day on which the form Wheat 522 was executed and the elevator or warehouse receipt covered thereby was received. The forms Wheat 522 and the elevator or warehouse receipts covered thereby which are forwarded to the State office shall be accompanied with a letter describing them and giving the State and county code number and serial numbers of the farms in connection with which the wheat was delivered. The State office shall acknowledge the receipt of the forms and the elevator or warehouse receipts. The State office shall transmit the forms Wheat 522 and accompanying documents to the special representative of the Commodity Credit Corporation for the particular area.

8. Delivery of wheat for which the producer is unable to obtain an elevator or warehouse receipt. If there are producers in a county who desire to deliver wheat to the Secretary of Agriculture and who ~~are unable~~ to deliver it to an elevator or warehouse and obtain elevator or warehouse receipts therefor because of the condition of the wheat, its low grade and quality, or for other reasons, the county committee should attempt to determine (1) the probable number of producers in the county who are so situated, and (2) the probable quantity of such wheat which will be delivered. If it is indicated that there will be a sufficient quantity to load one or more cars of the wheat, the county committee should arrange for the necessary number of freight cars. The county committee should also make arrangements, if possible, with one or more elevators in the county which are conveniently located to receive the wheat and load the cars. So far as possible, such elevators should be limited to those which have executed the Uniform Grain Storage Agreement. If it is not possible to arrange for an elevator to receive and load the wheat the producer who delivers the wheat will be required to transfer the wheat from his wagon or truck directly into the freight car. If it is indicated that there will not be a sufficient quantity of the wheat to substantially fill a car, the county committee should communicate with county committees for adjoining counties to see whether it would be possible for the county committee to arrange for a car at some centrally located point which could be used for receiving wheat grown in the respective counties. This procedure should be followed only in the event that it will not cause any of the producers to haul their wheat an unreasonable distance.

Excess wheat delivered to the Secretary, through the county committee, insofar as practicable shall be consigned to the Commodity



Credit Corporation if such wheat, in the opinion of the county committee, may be conditioned and stored by shipment to elevators with drying equipment. The county committee shall telephone or telegraph to the special representative of the Commodity Credit Corporation for the particular area for instructions as to the place to which the wheat is to be consigned. The Commodity Credit Corporation will pay all charges incident to the storage, handling, transportation, and conditioning of such wheat. Any wheat which it is impracticable to deliver to the Commodity Credit Corporation shall be distributed to such one or more of the following classes of agencies or organizations as the State committee selects; Farm Security Administration for use of its needy clients, any other federal relief organization, the American Red Cross, State or county or municipal relief organizations, or Federal or State wildlife refuge projects. Wheat delivered to any agency other than the Commodity Credit Corporation will be upon the condition that the agency shall pay all charges which have accrued against the wheat.

Whenever the delivery point has been determined, the county committee should give public notice of the fact at least three days prior to the time the car will be available. The notice should state the place of delivery, the date on which the car will be available, the number of days the car will be available, and the name of the elevator or elevators with which arrangements have been made to receive and load the wheat.

The county committee should arrange for as many cars on as many different dates as may be necessary, in view of the local conditions, to accommodate the producers who desire to deliver wheat to the Secretary of Agriculture under these circumstances. The arrangements should be made so as to avoid demurrage charges or to keep them at as low a level as possible and in no case should a car be held for a period in excess of five days.

The shipping charges will be paid by the Commodity Credit Corporation. Any charges made by the elevator for receiving and loading the wheat will likewise be paid by the Commodity Credit Corporation and the elevator operator should be instructed to present his bill for such charges to it.

If it is not practical to arrange for a car in which to load the wheat because the quantity of such wheat is too small, the county committee should obtain from the State committee the name of a local agency or organization which the State committee has designated to receive and dispose of the wheat. In that event the producer or producers who desire to deliver the wheat should be instructed to deliver it directly to the designated agency.

9. Execution and disposition of form Wheat 522. The producer or producers who deliver wheat under the conditions outlined in item 8 above shall execute form Wheat 522 in connection with the amount of wheat so delivered in the manner outlined in item 6 above, with the exception that the second paragraph of the form which is provided for describing the elevator or warehouse receipt shall be deleted. The original and copies of forms Wheat 522 so executed shall be distributed in the manner out-

COUNTY OFFICE MEMORANDUM (MULTIPLE PRODUCER)  
 (For use with county office copy of Form Wheat 523-A)

WHEAT MARKETING QUOTAS

194\_\_ Crop

(Date)

(State and County Codes)

(Name of Principal)

Farm Serial Number	Name of Owner	Name of Operator	Farm Marketing Excess	Amount Delivered to Secretary	Amount of penalty Paid	Amount to be stored	Penalty (Col. 7 x penalty)
1	2	3	4	5	6	7	8
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
Totals							

Prepared by:



lined in item 7 above, with the exception that the letter of transmittal for forms Wheat 522 which cover wheat consigned to the Commodity Credit Corporation shall state, in addition to the number of cars loaded, the point of loading and destination, the date on which the car is expected to reach its destination, and the name of the railroad. The bill of lading should accompany the forms Wheat 522 and there should be entered on each form Wheat 522 a notation referring to the bill of lading for the wheat covered by the form Wheat 522. The State office shall transmit the forms Wheat 522 and accompanying documents to the special representative of the Commodity Credit Corporation for the particular area.

E. Miscellaneous

Sec. 111. Responsibilities and duties of threshers, combine operators, and binder operators, who receive a portion of wheat as "toll" in lieu of cash charge for their services. The payment of an amount of wheat in lieu of a cash charge for harvesting and threshing wheat, commonly called "toll wheat," is defined in the regulations (MC-603-Wheat) as a barter or exchange. The binder, thresher, or combine operator is therefore a transferee and does not incur any penalty with the respect to the toll wheat. The binder, thresher, or combine operator who acquires wheat in this manner is classified under the regulations as an intermediate buyer and is required to execute the intermediate buyer's record and report (form Wheat 521) in connection with the toll wheat. If the producer for whom the harvesting, threshing, or combining services were performed was issued a marketing card, the serial number of the marketing card is required to be entered in item 6 of form Wheat 521 as evidence to a subsequent purchaser or transferee that the wheat is not subject to the penalty or lien for penalty. If the producer for whom the harvesting, threshing, or combining services were performed had not been issued a marketing card, the word "None" should be entered in item 6 of form Wheat 521 by the binder, thresher, or combine operator. In that event, in order that the toll wheat may be disposed of by him without a deduction for the penalty, the binder, thresher, or combine operator shall call at the county office and establish the fact that the wheat covered by the form Wheat 521 was received as a toll charge. If this fact is established, the treasurer of the county committee should enter on the reverse side of the original and first copy of the form Wheat 521 the words "Penalty satisfied" and sign his name and enter the date and his title.

Sec. 112. Non-allotment farms in all States of the Southern region, except Oklahoma and Texas, on which the acreage of wheat harvested does not exceed three acres for each farm family living on the farm and having an interest as a wheat producer in the wheat crop grown thereon. The exemption provided for in Sec. 905(a) of the regulations (MC-603-Wheat) will not apply in the event that any wheat, in raw or processed form, is sold from the farm. This means that if any wheat is sold as grain or seed or hay or in the processed form of flour, bran, or "shorts", the farm will become ineligible for the exemption and penalties will be due with respect to the farm marketing excess.

If wheat of the 1942 crop on such farms is ground into flour and the bran and "shorts" (commonly called "mill feed") resulting from the milling process are fed to poultry or livestock which, or the products of which, are sold, or are to be so disposed of, such feeding of the bran and "shorts" and the subsequent sale of the poultry or livestock, or the products thereof, does not constitute a marketing by sale of the wheat within the meaning of this section of the regulations.

Sec. 113. Insured losses on wheat defined as excess wheat.

1. In the event of loss or depletion in quantity of excess wheat stored pursuant to the regulations of the Secretary, the amount of excess wheat for the farm will be reduced by the amount of loss or depletion in cases where the depletion was the result of fire, weather conditions, insect infestation, or a cause beyond the control of the producer, provided the producer furnishes satisfactory evidence that such loss or depletion was not due to his own negligence or to any affirmative act done or caused to be done by him.

2. In the event excess wheat becomes damaged from any cause, regardless of whether it is insured, but there is not an actual loss in the quantity of grain, the amount of excess wheat for the farm will not be reduced and such wheat will be subject to penalty if marketed.

3. Under the regulations, a purchaser or intermediate buyer of wheat is liable for the penalty on all wheat he purchases or acquires, which is not identified by a marketing card as being penalty-free. In the event of a partial loss, an insurance company accepting wheat as salvage will be deemed a purchaser of such wheat and will be responsible for the penalty thereon if the insured does not have a marketing card.

4. If all the wheat in storage is excess wheat which is pledged to the Commodity Credit Corporation as collateral for a loan, and a loss due to an insured cause occurs, settlement by the insurance company should be made with the Commodity Credit Corporation.

5. In the case where both free wheat and excess wheat are stored in the same bin, and a portion of the entire lot is destroyed, an amount of the destroyed wheat equal to the amount of excess wheat shall be classified as excess wheat. However, if the amount of destroyed wheat is less than the amount of excess wheat, all of the destroyed wheat shall be classified as excess wheat. For example, if in a bin containing a total of 1,000 bushels of wheat, 200 of which are excess and 800 bushels are destroyed, 200 bushels of the destroyed wheat shall be classified as excess wheat. If only 100 bushels had been destroyed, it would all be classified as excess wheat.

6. If free wheat and excess wheat are stored together in a bin and the excess wheat is pledged as collateral for a Commodity Credit Corporation loan and a partial or total loss occurs through an insured cause, settlement shall be made with the Commodity Credit Corporation on the basis of the amount of excess wheat which is destroyed and settlement for the free wheat shall be made with the insured.



F. Remittances

Sec. 114. Procedure for handling and recording remittances from producers, buyers, or transferees:

1. Receipt of remittances. (a) Form of remittance. The amounts received in connection with marketing quota penalties shall be remitted only in legal tender or in the form of checks, drafts, or money orders made payable to the order of the Treasurer of the United States, except that, in case of funds tendered to be held in escrow to secure the payment of the penalty, or to replace uncollectible remittances, the remittance must be in legal tender or in the form of a cashier's check, certified check, or money order made payable to the order of the Treasurer of the United States. If the funds are in the form of cash, the treasurer of the county committee shall purchase a postal money order in the amount thereof, payable to the order of the Treasurer of the United States. The expenses in connection with purchasing the postal money orders shall be paid from funds provided for the administrative expenses of the county agricultural conservation association. Each check, draft, or money order shall be received subject to collection and payment at par.

(b) Examination of remittances. Each check, draft, or money order tendered in payment of the penalties shall be examined to determine that it may be negotiated by the Disbursing Officer. A check, draft, or money order which is negotiable must be properly dated, drawn payable to the order of the Treasurer of the United States, or in a manner to permit endorsement to that official, signed, and must show an exact agreement between the amount as expressed in figures and the written amount. If it is not negotiable, it should be returned to the remitter accompanied with a letter in which the reasons that the remittance is not negotiable are set forth and requesting that an acceptable remittance be tendered. Any checks, drafts, or money orders drawn payable to "Agricultural Adjustment Agency", "Department of Agriculture", or in a similar impersonal manner may (if otherwise negotiable) be accepted. Checks, drafts, or money orders drawn payable to some person other than the Treasurer of the United States must first be endorsed "Pay to the order of the Treasurer of the United States" over the signature (and title) of the payee named therein (or by the last endorsee) or by some person by him duly authorized through a power of attorney to endorse for him and on his behalf. In view of the difficulty and inconveniences incident to securing the endorsement which renders the instrument payable to the Treasurer of the United States, in case it is drawn payable to "Secretary of Agriculture" or to some other official not located in the State or county office, the remitter should be requested to replace the instrument with a check, draft, or money order drawn payable to the order of the Treasurer of the United States.

2. Issuing receipts for remittances. (a) Issuing receipts for funds remitted as penalties or as funds to be held in escrow. The treasurer of the county committee shall issue a receipt on Form 517 to the person remitting funds as penalties or as funds to be held in escrow. Form 517 shall be executed in triplicate as follows:



- (1) In the space provided enter the State and county code number.
- (2) In the space provided enter the marketing year, that is "1942-1943." The form 517, however, may be used as a receipt for remittances incurred during the 1941-1942 marketing year but the remittances will be handled as provided in the instructions issued with respect to the 1941-1942 marketing year.
- (3) Above the words "Name of remitter" and "Full mail address" enter the name and address, respectively, of the person from whom the treasurer received the remittance.
- (4) In the space following the words "the sum of" enter, in writing, the amount of the remittance, as, for example, "Twenty-five and No/100."
- (5) Draw a line through the words "In payment of the penalty." 5/
- (6) In column (1) enter the serial number for each farm in connection with which the remittance was made. If the farm is located in another county, the serial number shall be preceded by the State county code number.
- (7) In column (2) enter the printed serial number of each buyer's or transferee's report covering the transactions for which the remittance was made. The report of the transaction will be either Form 512 or Form 521. In case of a Form 512, the printed serial number will be preceded by the letter "U", which letter should also be entered on the Form 517, and, in case of Form 521, the printed serial number will be preceded by the letters "IB", which letters should likewise be entered on the form 517. If the penalty is remitted by the producer in connection with a transaction for which the buyer or transferee did not make a report and collect the penalty or if the penalty is paid by the principal or surety under a bond of indemnity, the word "None" should be entered in column (2).
- (8) In column (3) enter the name of the producer from whom the buyer or transferee purchased or received the wheat or the name of the producer for whom the penalty was paid.
- (9) In column (4) enter the number of bushels of wheat for which the penalty is remitted.
- (10) In column 5 enter the amount of the remittance received in connection with each farm.
- (11) Opposite the word "Total" on the front of the receipt, enter in column (5) the sum of the entries in column (5) on the front and reverse sides of the receipt. The total of column (5) must agree with the total amount of the remittance received.
- (12) If the funds received are in the form of cash, or partly in the form of cash, enter the word "Cash" in column (B) and enter the amount thereof in column (D). On the first and second copies (not on the original) enter in 5/ All funds received in connection with wheat marketing quotas will be deposited to the credit of a special deposit account to be held in escrow until it is determined whether the producer is entitled to a refund under sections 708 (h) or 708 (i) of the regulations.



column (B) the letters "USPMO" followed by the name of the post office from which the treasurer of the county committee obtained the postal money order for the amount of the cash and in column (A) enter the date thereof.

(13) If the remittance is in the form of a check, draft, or money order, the check, draft, or money order shall be described in the receipt as follows:

a. In column (A) enter the date of the check, draft, or money order.

b. In column (B) enter the name of the person who signed the check or draft or who obtained the money order.

c. In column (C) enter the name of the bank or firm or person on which the check or draft was drawn, or, in the case of a postal money order, the letters "USPMO" followed by the name of the issuing post office.

d. In column (D) enter the amount of the check, draft, or money order or the funds received in the form of cash, and opposite the word "Total" enter the sum of the entries made therein.

(14) The treasurer of the county committee shall sign the original and two copies and enter the date of his signature.

(b) Receipts where amount remitted is less than amount due from the buyer or transferee. In each case where the amount of the money received as the penalty is less than the amount which should have been remitted by the buyer or transferee, a receipt on Form 517 for the amount actually received shall be issued to the remitter. The Form 517 shall be prepared in every respect as outlined in paragraph (a) of this item with the following exceptions which are applicable only to the execution of column (5) of Form 517:

(1) A single buyer's or transferee's report. In the case of a remittance intended to cover a transaction shown on a single buyer's or transferee's report there shall be entered in column (5) of Form 517 the amount of the remittance actually received.

(2) Incorrectly executed buyer's or transferee's report. In cases where the buyer's or transferee's report is executed incorrectly and shows the collection of an amount smaller than the penalty actually incurred, there shall be entered in column (5) of Form 517 the erroneous amount shown in the report to have been collected for the farm.

(3) Several correctly executed buyer's or transferee's reports. In case several correctly executed buyer's or transferee's reports are accompanied with a remittance from the buyer or transferee which is less than the sum of the amounts shown thereon to have been collected from the producers, the deficiency in the amount of the remittance shall, unless the buyer or transferee otherwise directs, be

charged to the reports intended to be covered by the remittance in the inverse order of the dates of sale covered thereby and so recorded in column (5) of Form 517. For example, if a remittance for \$10.00 less than the penalty incurred for sales on September 1, September 5, September 7, and September 11 is received, the deficiency will first be charged to the September 11 sale, up to but not in excess of the penalty incurred in that sale, and then any balance of the deficiency will be charged to the September 7 sale, up to but not in excess of the penalty incurred in that sale, and so on until the total deficiency is absorbed, as follows: If the penalty actually incurred on the September 11 sale is \$5.00 and on the September 7 sale is \$15.00, the entry in column (5) of Form 517 for the September 11 sale will be zero and for the September 7 sale will be \$10.00 and the entries for the remaining sales will be for the full amount of the penalties incurred.

(4) Subsequent remittance of deficiency. When the deficiency, or part thereof, is remitted, a new Form 517 for the amount of the deficiency received shall be prepared. The buyer's or transferee's reports charged with the deficiency, or part thereof, shall be described in the new Form 517 in the manner provided in paragraph (2) of this item, except that the word "Additional" shall be entered directly above the farm serial number and the entry in column (5) therefor will be the additional amount remitted.

(c) Receipts where amount remitted is more than amount due from a buyer or transferee, or where the farm serial number is not shown on the certificate received from the buyer or transferee. In cases where the total amount of money received from a particular buyer or transferee is in excess of the penalties incurred, as reflected by the reports of the buyer or transferee, or the serial number is not shown on the reports, a receipt on Form 517 for the amount actually received shall be issued to the remitter. The Form 517 shall be prepared in every respect as outlined in paragraph (a) of this item with the following exceptions.

(1) A record of each buyer's or transferee's report shall be made in columns (1) through (4) of Form 517 and the amount shown on the report to have been collected in connection therewith shall be entered in column (5), except that, if the farm serial number is not shown on the report, make no entry in column (1) for the report.

(2) In column (1), after listing the information with respect to the buyer's or transferee's reports, enter the word "Suspense."

(3) In column (5) opposite the word "Suspense" enter the amount of the payment which is in excess of the amount indicated by the reports.

(4) Columns (A) through (D) shall be executed to describe the remittance as received.

(d) Accounting for receipts on Form 517. The receipts on Form 517 will be consigned to the treasurer of the county committee in pads or units of 50 receipts with printed serial numbers in numerical sequence. The receipts on Form 517 must be issued in numerical sequence and the



use or disposition of each receipt must be accounted for by the treasurer of the county committee. If a Form 517 is mutilated or improperly prepared, it shall be saved and not destroyed in order to account for its disposition. A copy of each mutilated or improperly prepared receipt marked "Void" or "Canceled" shall be listed on Form 529 in the regular numerical sequence and transmitted to the State committee as outlined in item 6 with an explanation. Satisfactory proof of the loss or destruction of any Form 517 will be required. An explanation of the loss or destruction of any Form 517 shall be transmitted to the State committee with the Form 529 on which the receipt would otherwise have been listed.

3. Letter of transmittal for remitting penalties to the State committee. The funds received during a day by the treasurer of the county committee shall be scheduled on Form 529 for transmittal to the secretary of the State committee. Form 529 shall be prepared in triplicate as follows:

(1) In the spaces indicated enter (i) the transmittal number, beginning with 1 for the first schedule and continuing thereafter in numerical sequence for the marketing year, (ii) the State and county code number, and (iii) the sheet number and total number of sheets in the schedule.

(2) In the space provided enter the designation of the marketing year, that is, "1942-1943."

(3) In either column 2, column 3, column 5, or column 7 enter the printed serial numbers of Forms 517 covering the penalties for which Form 529 is prepared. The printed serial numbers of Forms 517 shall be listed in numerical sequence.

(4) In either column 2, column 4, column 6, or column 8 enter the printed serial numbers of Forms 517 covering the penalties for which Form 529 is prepared. The printed serial numbers of Forms 517 shall be listed in numerical sequence.

(5) The treasurer of the county committee shall execute Part I by signing his name on the original and two copies and entering thereon the date of his signature.

4. Forwarding remittances to the State committee. All funds received by the treasurer of the county committee in connection with wheat marketing quotas shall be transmitted by him on the day received, or not later than the morning of the succeeding day, to the secretary of the State committee. The original and first carbon copy (the yellow copy) of the Form 529 and the copies of Forms 517 (the yellow copies thereof) shall accompany the remittance. The second carbon copy of the Form 529 (the salmon copy) shall be retained in the county office in a pending file. The original of Form 529 will be returned as a receipt from the State office and shall be filed in a folder in the numerical order of transmittal numbers.

5. Uncollectible items. If any check, draft, or money order is not honored upon presentment for payment, the check, draft, or money order will

be returned through the State office to the treasurer of the county committee. The treasurer of the county committee shall notify the drawer of the check or draft or the person who obtained the money order of the return of the item and of the reasons therefor and he shall request a remittance in the amount due in the form of cash, postal money order, cashier's check, or certified check. The original item shall not be delivered to the remitter until an acceptable item is presented. The total of the original Form 529 shall be lined out and the original total thereof less the total amount of the uncollectible items shall be entered in lieu thereof and the entry initialed and dated by the treasurer of the county committee. Enter the word "Uncollectible" opposite the entry for the uncollectible item on Form 529. A new remittance replacing the one previously returned as being uncollectible shall be handled in every respect as if it were an original item with the exception that a notation shall be made in the body of the new Form 529 that the remittance previously scheduled under transmittal No. \_\_\_\_\_ of Form 529, and schedule No. \_\_\_\_\_ of Standard Form No. 1044-Revised, and for which the receipt on Form 517 No. \_\_\_\_\_ was issued.

6. Money received in connection with a farm situated in another county.

(a) Preparation of credit memorandum. When it is determined that money has been received in connection with wheat produced on a farm situated in another county, the treasurer of the county committee shall forward to the treasurer of the county committee for the county in which the farm is situated a credit memorandum which shall be prepared and handled as follows:

- (1) Each credit memorandum shall be prepared in quadruplicate, on letter-sized paper, and a separate credit memorandum shall be prepared for each separate transaction.
- (2) Each credit memorandum shall be assigned a credit memorandum number which shall begin with number 1 for the first credit memorandum prepared for each county and continue thereafter in consecutive numerical sequence for subsequent credit memoranda sent to the same county.
- (3) Each credit memorandum shall contain the following information:
  - a. The names of the State and county in which the remittance was received and the code number therefor.
  - b. The serial number of the farm and the names of the State and county in which the farm is situated and the code number therefor.
  - c. The name and address of the producer.
  - d. The name and address of the remitter, if other than the producer, and his designation as either an intermediate buyer or a warehouseman, elevator operator, feeder, or other processor, and the serial number of the Form 521 or 512 in connection with the transaction.



- e. The serial number and date of the Form 517 issued to the remitter in connection with the transaction.
- f. The transmittal number of the Form 529 on which the remittance was scheduled to the State office.
- g. The schedule number and period of the Standard Form No. 1044-Revised on which the remittance was scheduled by the State office for deposit in the special deposit account (this schedule number and the period should be obtained from the Form 529 returned by the State office).
- h. A description of the check, draft, or money order as described on Form 517.
- i. The number of bushels of wheat covered by the transaction.
- j. The amount remitted for the farm in connection with the transaction.

- (4) The credit memorandum shall be signed and dated by the treasurer of the county committee.
- (5) The original and second carbon copy shall be forwarded to the treasurer of the county committee for the county in which the farm is situated.
- (6) The first carbon copy shall be forwarded to the State office.
- (7) The third carbon copy shall be placed in a pending file until the copy from the treasurer of the county committee to whom it was addressed is returned. When the copy is returned from the other county, it shall be filed, together with the copy retained in the county office, in a separate folder by counties in the order of the credit memoranda numbers.

- (b) Procedure to be followed in the county office receiving the credit.  
The treasurer of the county committee to whom a credit memorandum is addressed shall acknowledge the receipt of it by returning the second carbon copy to the county office in which it originated after signing his name and entering the date and his title on the second carbon copy. The credit memorandum shall be posted to form Wheat-632-SR in the manner outlined in Sec. 115 of these instructions, as in the case of a collection originally received in the county with the exception that, in column E, in lieu of the serial number of Form 517, enter the serial number of the credit memorandum preceded by the State and county code number of the county from which the credit memorandum was received. The original credit memorandum shall be filed in a separate folder by counties in the order of the credit memorandum numbers. The amount set forth in the credit memorandum shall be refunded or transferred into the general fund of the Treasury, as hereinafter provided, as in the case of a collection originally received in the county.





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U. S. Department of Agriculture

PART II. County Office Instructions Pertaining to Wheat  
Marketing Quotas for Wheat of the 1942 CropC O N T E N T S

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## G. RECORDS AND REPORTS

### Sec. 115 Preparation and Execution of the Farm Record, Form Wheat 632-SR.

1. General explanation. Form Wheat 632-SR, hereinafter referred to as Form 632, is to be executed in duplicate as the farm record for each farm in connection with which any wheat is delivered to the Secretary of Agriculture to avoid the penalty or in connection with which warehouse receipts, bonds of indemnity, or money is deposited with the county committee. The original will constitute the county office record and the copy will constitute the State office record. It is a continuing record to which entries will be made from time to time until the penalties incurred have been paid and covered into the general fund of the Treasury and the security deposited to postpone the payment of the penalty has been appropriated to the payment of the penalty or returned to the producer.

Form 632 may be divided, according to its execution and use, into two general parts, namely, first, columns A through E, and second, columns F through Q. The first part, generally speaking, constitutes a record of the contribution made toward the avoidance, postponement, and payment of the penalty on the farm marketing excess. A column is provided for each method of contribution and each transaction in connection therewith is to be recorded currently in the appropriate column. The second part, generally speaking, constitutes a record of any settlements made.

Form 632 is printed with three horizontal sections for producers on the farm or for the farm as a whole in case the farm marketing excess is not apportioned among the producers or in case there is only one producer interested in the 1942 crop. Each horizontal section contains five double lines, which, in certain columns, are split so as to provide for two entries. Although the split lines are not so designated on the form, in these instructions the top portion of the line will be referred to as line (a) and the bottom portion will be referred to as line (b). If four or more horizontal sections are required for any farm, two or more Forms 632 will be used.

The original Form 632 will, at the time the account is closed, at the time any settlement is made, or at stated intervals, if specified by the State office, be transmitted to the State office where the data thereon will be transferred to the State office records and used as a basis for making refunds and transfers of collections.

2. Preliminary execution of Form 632. Form 632 shall be prepared in duplicate for each farm for which a farm marketing excess is computed, except non-allotment farms on which the acreage of wheat did not exceed 3 acres for each family living on the farm and having an interest as a wheat producer in the wheat crop grown thereon unless it develops that wheat produced thereon is marketed by sale. A separate Form 632 shall be prepared for any producer receiving a proportionate share of the farm marketing excess in accordance with Sec. 701(c) of the regulations and paragraph 8, Sec. 102 of these instructions. The Form 632 shall be executed as follows:

(a) Enter the State and county code and the farm serial



number in the spaces provided.

(b) Enter "1942" in the space provided in the title of the form.

(c) Enter the name and address of the farm operator in the space provided in the first horizontal section for the name and address of the producer.

(d) Enter the amount of the initial farm marketing excess in the first line of column H. This figure will be obtained from column 7, Form 609.

(e) File the original and duplicate copy, together with the copies of the Forms 609, in the numerical sequence of farm serial numbers.

3. Execution of Form 632 for a reduction in the amount of the excess wheat. Column A will be used where (1) the penalty is avoided by delivery of wheat to the Secretary and (2) there is an authorized depletion of stored excess wheat or (3) where the excess wheat is reduced by payment of the penalty. The Form 632 shall be executed as follows:

(a) Where wheat is delivered to the Secretary: Enter in line (a), column A, for each producer, the amount delivered in accordance with Sec. 709 of the regulations and Sec. 110 of these instructions, preceded by the letter "D".

(b) Where there is an authorized depletion of the amount of stored excess wheat: Enter in line (a), column A, for each producer (1) the amount of wheat determined by the county committee, in accordance with Sec. 708(g) of the regulations, to have been destroyed by fire, weather conditions, insect infestation, or any other cause beyond the control of the producer, preceded by the letter "A", or (2) the amount of wheat for the farm entered in column K of the form Wheat 633-SR prepared for the producer, preceded by the letter "R".

(c) Where the penalty incurred is transferred to the general fund: The State office will enter in line (b), column A, on the line next succeeding the line used for the last record of settlement, the number of bushels obtained by dividing the amount of money transferred to the general fund by 57 cents, preceded by the letter "T". The county office must not make entries in line (b), column A.

(d) Other entries: Make no other entries on Forms 632 until a settlement is made with respect to the farm except that if the sum of the entries in column A equals the amount of the farm marketing excess, column H, and there are no entries in columns B, C, D, and E. A "zero" will be entered on the next succeeding line of column H, the Forms 632 and 609 transferred to a closed file, and the copy of Form 632 transmitted to the State office.

4. Execution of Form 632 in cases where bonds of indemnity, warehouse receipts, or money are deposited to satisfy the lien. The first line of columns B, C, D, and E is to be executed upon the receipt of any bond, warehouse receipt, or money received in satisfaction of the lien as follows:

(a) Bond: Enter in column B for each producer the number of bushels of wheat covered by the bond of indemnity executed and filed by him. [If a county office memorandum (multiple producer) has been executed, the amount entered in column B shall be taken from column 7 of that form].

(b) Warehouse receipts: Enter in column C for each producer the number of bushels of wheat covered by the warehouse receipts deposited by him in escrow.

(c) Paid and escrow: (i) Enter in line (b), column D, for each producer the amount of money remitted by or for him, and (ii) enter in line (a) the number of bushels of wheat on which such money was remitted.

(d) Receipt and schedule numbers: (i) Enter in line (a), column E, the serial number of the form Wheat 517 issued as a receipt for the remittance. (ii) Enter in line (b), column E, the schedule number of the Standard Form No. 1044-Revised (to be obtained from the copy of form Wheat 529 returned by the State office) on which the money was scheduled into the special deposit account.

(e) Date: Enter in the first line of column F the date on which the producer becomes eligible to receive a marketing card by depositing security sufficient to cover the farm marketing excess or delivering wheat to the Secretary.

5. Report. All entries made on Form 632, other than the preliminary entries made in accordance with paragraph 2 above, should be explained with a brief statement of facts on the reverse side of Form 632.

6. Transmittal of the State office copy of Form 632. The copy of the Form 632 shall be transmitted to the State office when the lien on the initial farm marketing excess has been satisfied.

7. Record of settlements made. Columns B through Q, Form 632, shall be used for recording any settlement made with respect to the farm. A separate line (the next available) will be used for recording each settlement. Form 632 shall be executed as follows:

(a) Nature of entries; Entries shall be made for any settlement consisting of or involving -

(i) An adjustment of the farm marketing excess on the basis of a review committee determination.



(ii) An adjustment of the farm marketing excess on the basis of actual production (Sec. 403(b), 405, or 904(b) of the regulations).

(iii) A determination of the amount of the penalty incurred.

(iv) An unauthorized depletion in the amount of excess wheat stored (Sec. 708(g) of the regulations).

(v) A refund of money where a contribution other than money is substituted for funds in escrow.

(vi) An adjustment of the farm marketing excess on the basis of underplanting the acreage allotment for a subsequent crop (Sec. 708(h) of the regulations).

(vii) An adjustment of the farm marketing excess on the basis of a less than normal crop for subsequent crop year (Sec. 708(i) of the regulations).

(b) Time for making entries. A settlement shall be made at the time any one of the conditions outlined under paragraph (a) above are met and, in any event, at the end of the 60-day period for satisfying the lien. All settlements should be made promptly.

(c) Advice to the State office. Whenever a settlement is accurately recorded and explained (see paragraph 5 above), the original Form 632 shall be immediately transmitted to the State office for a transfer of the data to the State office copy and return of the original to the county office.

(d) Date. Enter in column F, for each producer, the date of the settlement. If two or more producers contributed to the satisfaction of the lien, one unused horizontal section shall be designated as a "total section" by entering in the space for "Name of producer" the word "Total". In this event, also enter the date of settlement in the first unused line of column F of the "total section".

(e) Total Credit.

(i) The entries to be made in columns B, C, and D will be the respective entries from columns O, P, and Q, plus any additional bonds, warehouse receipts, or money tendered in connection with the settlement. For the first settlement the entries in columns B, C, and D for the settlement will be the sum of the entries previously made in these columns.

(ii) Enter in line (a), column G, for each producer, the sum of the bushels in columns B, C, and D. In line (b), column G, enter the amount in line (b), column D. If two or more producers made contribution to the satisfaction of the lien, enter in line (a), column G, of the "total section", the sum of the individual entries in line (a), column G.

(f) Excess wheat.

(i) One producer. Enter in column H, for the producer the result obtained by subtracting the entry on the line of settlement in column A from the farm marketing excess. 1/

(ii) Two or more producers. Enter in column H of the "total section" the result obtained by subtracting from the farm marketing excess 1/ the sum of the entries in column A on the settlement line for all producers. Enter in the heading of column H a percentage factor, carried four places beyond the decimal, determined by dividing the total of column G into the total of column H.

Enter in column H, for each producer, the result, expressed in whole bushels, obtained by multiplying the factor in the heading of column H by the bushels in column G. The sum of the entries in column H must equal the total of column H.

Comment: There is no necessity for a proration of the farm marketing excess for each succeeding settlement unless the initial excess is adjusted on the basis of actual production, on the basis of a review committee determination, or there is an apportionment of the excess.

(g) Inspected amount stored. Enter in column I, for each producer, the amount of wheat actually in approved storage. Notwithstanding the fact that the amount of wheat inspected in storage may be greater than the entry appearing in column G, the entry to be made in column I shall not exceed the entry in column G. An inspection of stored wheat, other than the inspection required by paragraph 12, Section 109, of these instructions, is not a requirement for making a settlement. In the absence of a report of inspection, enter the amount stored at the time of the preceding settlement, or if none, a "dash" in column I.

(h) Penalty incurred. Enter in line (a), column J, for each producer, the amount by which the entry in column H exceeds the entry in column I. Make no entry if there is a "dash" in column I. Enter in line (b), column J, for each producer, the result obtained by multiplying the entry in line (a) by the applicable rate of penalty.

Comment: This amount represents the amount of penalty actually incurred by the producer, however, the State office will not transfer

1/ The first entry in column H represents the initial farm marketing excess and in the case of any adjustment or revision of the excess on the basis of actual production, a review committee determination, or an apportionment, the excess must be obtained from Form 609. If the excess is taken from Form 609, subtract therefrom the sum of all the entries in column A for the producer. In securing the amount of the farm marketing excess from Form 609, care must be exercised to obtain the most recent amount, taking into consideration any revision or apportionment.



the amount in line (b), column D, or the amount in line (b), column J, whichever is the smaller, to the general fund until it receives Form 632 executed by the county office, indicating that a settlement has been computed (1) on the basis of actual production or (2) settlement has been computed on the initial farm marketing excess at the expiration of the 60-day period for making adjustments. The amount by which the entry in line (b), column J, exceeds the entry in line (b), column D, represent the indebtedness incurred by the producer.

(i) Security to be released.

(i) Enter in line (a), column K, for each producer, the result obtained by subtracting the entry in column H from the entry in line (a), column G.

Make no entry in line (b), column K, at this time.

(ii) Enter in column L, for each producer, the smaller of (1) the entry in line (a), column K, and (2) the entry in column B.

(iii) Enter in column M, for each producer, the smaller of (1) the result obtained by subtracting the entry in column L from the entry in line (a), column K, or (2) the entry in column C.

(iv) Enter in line (a), column N, for each producer, the smaller of (1) the result obtained by subtracting the sum of the entries in columns L and M from the entry in line (a), column K, or (2) the entry in line (a), column D.

Enter in line (b), column N, the result obtained by multiplying the entry in line (a) of that column by 57 cents.

Comment: As a general rule, the security will be released in the above order; however, exceptions to this rule will be (1) the substitution by the producer of warehouse receipts for funds in escrow or bonds, or (2) substitution by the producer of funds for warehouse receipts or bonds. Requests for the substitution of bonds for funds or warehouse receipts should not be approved by the county committee except in meritorious cases.

(j) Security retained.

(i) Enter in column O, for each producer, the result obtained by subtracting the entry in column L from the entry in column B.

(ii) Enter in column P, for each producer, the result obtained by subtracting the entry in column M from the entry in column C.

(iii) Enter in line (a), column Q, for each producer, the result obtained by subtracting the sum of the entry in line (a), column N, plus the entry in line (a), column J, from the entry in line (a), column D. Do not enter an amount less than zero (e.g. -100). Note: If a settlement is made prior to the expiration of the 60-day period for satisfying the lien, enter in line (a), column Q, for each producer, the result obtained by subtracting the entry in line (a), column N, from the entry in line (a), column D.

(k) Advice to producer: When a settlement is completely recorded the producer(s) should be advised of (1) the conditions under which the settlement was made, (2) the amount of the penalty not secured by funds in escrow, (3) the type and amount of security to be released, (4) the type and amount of security retained and (5) the amount of wheat which must be retained in storage to avoid or postpone the penalty to the extent of the security retained. The fifth item is of especial importance in the case of stored excess wheat other than that stored in a warehouse. For example, a producer deposits a bond for 200 bushels. The farm marketing excess is adjusted to 175 bushels and there are 175 bushels in approved storage. The producer and sureties may be advised that their liability under the bond has been reduced by 25 bushels but the producer should clearly understand that 175 bushels must be retained in storage to postpone the penalty. Advice in this connection may be oral or written.

8. Examples of execution of Form 632. There are set out below the statements of facts for four cases which are executed on the correspondingly numbered Forms 632, which are attached. The statements and examples are prepared for the guidance of the State and county offices in keeping the farm record and, insofar as possible, should be followed by the county office in executing the form and indicating on the reverse side thereof the facts which serve as the basis for a settlement. The numbers which appear in parentheses on Form 632 in connection with certain lines of settlement or individual entries relate to the numbered items appearing in the statement of facts for the particular example. In the examples, item (1) relates to the preliminary entries for the farm (see paragraph 2 of this section of the instructions) and is omitted from the statements of facts.

(a) Statement of facts for example No. 1

(2) On June 5 the producer delivered 50 bushels of wheat to an elevator and delivered the warehouse receipt to the office for delivery to the Secretary.

(b) Statement of facts for example No. 2

(2) June 3 a warehouse receipt was tendered for the amount of the excess and a card was issued.

(3) July 4 the actual production was established for this farm and resulted in a downward adjustment of the farm marketing excess to 75 bushels.



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(4) December 15 John Doe received a credit for underplanting his 1943 acreage allotment of 50 bushels. There is no volunteer wheat on this farm. Form 633 is attached.

(5) July 1, 1944, John Doe receives a credit for a "less than normal crop" in 1944 of 25 bushels. Form 633 is attached.

(6) Closed 7/1/44.

(c) Statement of facts for example No. 3. Comment: In this example Bill Brown applied for and received as his proportionate share of the initial farm marketing excess, an excess of 300 bushels. Care must be taken in such cases to make a proper entry in column H for all Forms 632 for the farm. (Note: The State office may require that a report in connection with the apportionment be submitted with their copy of Form 632.

(2) On June 4 Bill Brown deposited a warehouse receipt, a bond, and funds in escrow to the extent of his proportionate share of the excess and was issued a marketing card.

(3) On June 8 the review committee determined, in accordance with Sec. 409 of the regulations, that the farm marketing excess for farm 73-074-293 was 800 bushels. Of this amount, Brown's proportionate share was 200 bushels.

(4) On September 5 a farm inspection showed no wheat in farm storage for Brown. (4a - The State office transferred \$57.00 to the general fund and entered "T 100" in column A).

(5) On January 2, 1943, Brown received a credit for underplanting his 1943 acreage allotment of 100 bushels. There is no volunteer wheat on this farm. Form 633 is attached.

(6) Account closed 1/2/43.

(d) Statement of facts for example No. 4

(2) On June 12 Doakes and Anderson deposited bonds, warehouse receipts, and money to secure the penalty and a card was issued.

(3) On August 1 the actual production for this farm was determined to be 2000 bushels. This resulted in an actual yield of 20 bushels per acre and a final farm marketing excess of 400 bushels.

(4) On August 4 (within the 60-day period for satisfying the lien) Anderson tendered a warehouse receipt for 100 bushels and requested a refund of \$57.00.

(5) On October 15 an inspection was made of the farm stored excess wheat and it was found that Doakes had none in storage. A letter was addressed to the principal and sureties on the bond requesting payment on 67 bushels of wheat. (Note: Joe Doakes will be placed on the register of indebtedness for \$38.19, i.e., the amount by which line (b), column J, exceeds line (b), column D.)

(6) On December 6 the State office advised the county office that \$38.19 had been offset from payments earned by Doakes.

(7) On June 7, 1943, Anderson received a credit for underplanting his 1943 acreage allotment of 133 bushels. The acreage of volunteer wheat harvested has been determined. Form 633 is attached.

(8) On August 1, 1943, Doakes received a credit for a "less than normal crop" of 200 bushels. Forms 633 is attached.

(9) Account closed 8/1/43.



(1) 73-074-228  
(State and county code and

(State and county code and farm serial No.)

## WHEAT MARKETING QUOTAS — FARM RECORD — CROP — 1942

Penalty avoided	Lien satisfied by						Date	Total credit	Excess wheat	Inspected amount stored	Penalty incurred	Security to be released					Security retained					
	Bond	Warehouse receipts	Paid and escrow	Receipt No.		F						G	H	I	J	K	L	M	N	O	P	Q
				Bond	Warehouse receipts																	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q						
Name of Producer	(1) Joe Johnson																	(1) Bartlesville, Oklahoma				
) 0 50			\$	(2)	6/5/42	\$	(1) 30		\$				\$				\$					
			\$			\$	(2) 0		\$				\$				\$					
			\$			\$			\$				\$				\$					
			\$			\$			\$				\$				\$					
			\$			\$			\$				\$				\$					

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**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**Agricultural Adjustment Agency**

## Agricultural Adjustment Agency

# WHEAT MARKETING QUOTAS — FARM RECORD — CROP — 1942

Lien satisfied by					Security to be released										Security retained			
Penalty avoided	Bond	Warehouse receipts	Paid and escrow	Receipt No.	Date	Total credit	Excess wheat	Inspected amount stored	Penalty incurred	Total			Escrow	Bond	Warehouse receipts	Escrow		
	A	B	C	D						E	F	G					H	I
Name of Producer																		
(1) Bill Brown																		
Address of Producer																		
(1) Bartlesville, Oklahoma																		
3 {	(2) 100	(2) 100	(2) 100	164 4212	6/4/42	\$ 300	(1) 300	-	\$ 0	\$ 100	100	0	0	0	100	100	\$ 100 } \$ 57.00 }	
4 {	0	100	100		6/8/42	200 \$ 57.00	200	100	100	\$ 57.00	0	0	0	0	100	100	\$ 0 }	
(5) R 100	5 {	0	0		9/5/42	200 \$ 57.00	200	100	0	\$ 57.00	0	0	0	0	100	0	\$ 0 }	
(4A) T 100					1/2/43	100 \$ 0	0	100	0	\$ 100	0	100	0	0	0	0	\$ 0 }	
						\$			\$	\$							\$	

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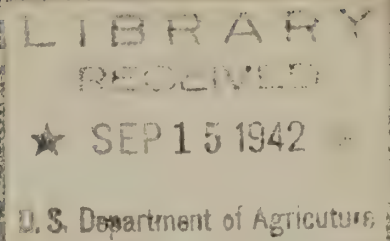
WHEAT MARKETING QUOTAS — FARM RECORD — CROP (1) 1942

Lien satisfied by				Security to be released				Security retained								
Penalty avoided	Bond	Warehouse receipts	Paid and escrow	Receipt No. Schedule No.	Date	Total credit	Excess wheat	Inspected amount stored	Penalty incurred	Total			Warehouse receipts			Escrow
										K	L	M	N	O	P	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Name of Producer (1) Joe Doakes Address of Producer (1) Bartlesville, Oklahoma																
3 {	(2) 200	(2) 200	\$		(2) 6/12/42	(1) 600				\$	133	0	0	67	200	0
5 {	200	200	\$		8/1/42	400	267	-	0	\$						
6 {	67	200	\$		10/15/42	267	267	200	67	\$	0	0	0	67	200	0
(8) R 200	67	200	\$	42074	12/6/42	334	267	200	67	\$	67	0	0	0	200	0
(64) 67	0	200	\$		8/1/43	200	0	0	0	\$	200	200		0	0	

Name of Producer (2) Amos Anderson Address of Producer (2) Bartlesville, Oklahoma																
3 {	(2) 200	(2) 200	\$		(2) 6/12/42	(3) 600				\$	67	0	0	67	200	0
4 {	200	200	\$		8/1/42	400	267	-	0	\$						
7 {	67	200	\$		10/15/42	267	267	200	67	\$	0	0	0	67	200	0
(8) R 200	67	200	\$	42074	12/6/42	334	267	200	67	\$	67	0	0	0	200	0
(64) 67	0	200	\$		8/1/43	200	0	0	0	\$	200	200		0	0	

Name of Producer Total Address of Producer																
	(2) 200	(2) 200	\$		(2) 6/12/42	(3) 600	(3) 400			\$						
	200	200	\$		8/1/42	400				\$						
	67	200	\$		10/15/42	267	267			\$						
	67	200	\$	42074	12/6/42	334	267			\$						
	0	200	\$		8/1/43	200	0			\$						





Wheat-608, Part II (SR), Supp. 2

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT AGENCY  
SOUTHERN DIVISION

Part II. County Office Instructions Pertaining to Wheat  
Marketing Quotas for Wheat of the 1942 Crop

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## H. FARM MARKETING EXCESS ADJUSTMENT

Sec. 116. Adjustment in the amount of the farm marketing excess on the basis of actual production. Any producer having an interest in the wheat produced in 1942 on any farm for which there is a farm marketing excess may, within the time specified on the form MQ-609-Wheat prepared for the farm, apply for a downward adjustment in the amount of the farm marketing excess on the basis of the amount of wheat produced in 1942 on the farm. The following instructions should be observed in carrying out the provisions of Sections 403(b), 405, or 904(b) of MQ-603-Wheat governing the adjustment of the farm marketing excess.

1. Recording the application for adjustment. The application may be written or verbal, but in either event a record in triplicate should be prepared to show the following information:

- a. The State and county code and farm serial number.
- b. The name and address of the producer.
- c. The date and manner of filing the application, and; if verbal, the name of the person in the county office receiving the application.
- d. A description and the factual content of any written statements or other documentary evidence submitted by the producer.
- e. The farm acreage allotment, normal yield, and amount of the farm marketing excess originally determined.
- f. The amount of the actual production and the actual yield per acre as stated in the application of the producer.

Spaces should be provided on the record for entering the information required in subsections 2, 3, and 4 below. A separate folder should be prepared for each application and files for pending, suspended, and closed cases should be established.

2. Establishing the time and place of the hearing. Insofar as practicable, applications should be considered in the order in which made and, to minimize travel, at a place easily accessible to the applicant and other interested persons. The applications to be considered should be grouped, where possible, to reduce the number of hearings. After the time and place of the hearing have been established, the applicant should be so notified by letter, a record made of such place and date, and a copy of the notice filed with the producer's application for adjustment. Public notice should be given of the time and place of the hearing by



inserting a notice in the local newspaper or by posting a notice in at least three public places. One copy of the record prepared in accordance with subsection 1 of this section, including the time and place of the hearing, shall be mailed to the State office at the time notice is mailed to the producer.

3. Availability of information. To expedite the consideration of applications, the secretary of the county committee should, prior to the time of the hearing, assemble the following information for each farm for which an application is filed:

- a. The county normal yield.
- b. The past production for the farm by years, if available.
- c. The actual and normal yields for 1942 for at least five other farms in the community and a sketch showing their proximity to the farm for which the application is filed.
- d. The actual and normal yields of a representative number of other farms in the community which are similar with regard to farming practices followed, type of soil, and productivity.
- e. Any available data regarding the harvesting, processing, storage, or sales of the wheat produced on the applicant's farm in 1942.

4. Conducting the hearing. At least two members of the county committee, the secretary of the county committee, and the applicant must be present at the hearing. Every such hearing shall be open to the public. The secretary of the county committee shall make a record of the hearing, which will contain a concise statement of:

- a. The grounds upon which the applicant sought an adjustment.
- b. The findings of the county committee upon the questions of fact.
- c. The determination of the county committee as to the farm marketing quota and the farm marketing excess.

5. Actual yields. In connection with any application for an adjustment, the county committee must give careful consideration to the actual yield determined by dividing the actual production claimed by the producer by the acreage of wheat. Adjustments based on actual production reflecting yields less than the normal yield, the yield which could be reasonably expected, or the actual yields for surrounding farms, should not be approved unless it is determined that such low yield is justified by some factor affecting the production of wheat. In such cases, the county committee should include a report



of their findings of the factors adversely affecting the yield in the record of the hearing prepared in accordance with paragraph 4 of this section. In no case should the county committee accept the statement of the producer or any other person as conclusive evidence of the amount of wheat actually produced.

6. Notice to the applicant. If the county committee determines, on the basis of facts known by or made available to it, that the amount of the farm marketing excess should be adjusted, a notice on form MQ-609-Wheat shall be prepared in accordance with subsection 6, section 102, of these instructions. If the county committee disapproves the application for any reason, a letter should be addressed to the applicant advising him of the facts. Such letter should contain information to the effect that the producer may, within 15 days after the date of such letter, appeal to the Review Committee. If the county committee defers action on an application, a letter or memorandum should be prepared setting forth the reasons therefor. One copy of the form MQ-609-Wheat, or letter prepared in accordance with this subsection, shall be mailed to the State office.

7. Record on Form 532. An adjustment in the amount of the farm marketing excess under this section shall be recorded on Form 532 in accordance with section 115 of these instructions.

Sec. 117. Adjustment in the amount of the farm marketing excess on the basis of the damage or destruction of stored excess wheat. The amount of the farm marketing excess will be reduced and the penalty avoided on any amount of excess wheat stored in accordance with Section 708 of the regulations which is destroyed by fire, weather conditions, insect infestation, or any other cause beyond the control of the producer, provided the producer shows beyond a reasonable doubt that the damage or destruction resulted from such cause and not from his negligence nor from any affirmative act done or caused to be done by him. The following instructions should be observed in carrying out the provisions of Section 708(g) of MQ-603-Wheat. (Also see section 113 of these instructions.)

1. Inspection. As soon as practicable after notice is received from the producer of the damage or destruction of stored excess wheat, a member of the county committee, or a qualified representative thereof, should make a personal inspection of the wheat and the place of storage.

2. Report to the county committee. The person inspecting the wheat shall make a report to the county committee consisting of the following:

- a. The nature of the damage or destruction.
- b. The known or probable cause of the damage or destruction.



c. The precautionary measures taken by the producer to prevent damage or destruction.

d. The location and type of the place of storage.

e. The amount of wheat destroyed or damaged.

f. A sample of the wheat, if damaged.

g. The inspector's recommendation and the reasons therefor.

3. Findings of the county committee. After the county committee has considered the facts, giving due consideration to any evidence submitted by the producer, it shall authorize or disapprove a reduction in the amount of the farm marketing excess and the amount of the stored wheat. A record shall be kept of the determination and the producer fully informed of the action taken.

4. Record on Form 532. An adjustment in the amount of the farm marketing excess under this section shall be recorded on Form 532 in accordance with section 115 of these instructions.

Sec. 118. Adjustments in actual production because of dockage and grains other than wheat. In considering applications for an adjustment in the amount of the farm marketing excess (see section 116 of these instructions), the county committee shall not attempt to determine the percentage of wheat in the production from an acreage planted to a mixture, but classified as an acreage of wheat, in determining the amount of wheat produced on the farm. The county committee may, however, upon application of the producer, determine the amount of wheat produced on a farm by deducting from the quantity of grain produced on the acreage classified as an acreage of wheat, the amount of dockage and grains other than wheat.

The producer shall have the burden of proving the amount of dockage and grains other than wheat and the county committee shall allow the deduction only after the producer presents evidence that a representative sample of the wheat has been graded and tested by a licensed grain inspector.

Where an adjustment is made in the farm marketing excess, based in whole or in part upon an allowance for dockage and grains other than wheat, the mixed grain, including the dockage, may be stored pursuant to section 708 of the regulations or delivered to the Secretary of Agriculture pursuant to section 709 of the regulations, provided that the amount of grain stored or delivered contains a sufficient amount of wheat to cover that portion of the farm marketing excess on which the producer desires to postpone or avoid the payment of the penalty.



The amount of wheat determined to have been produced on the farm, after allowing for the dockage and grains other than wheat, will be used for all purposes in determining the normal yield for the farm in subsequent years. The county committee should explain this fact to the producer at the time he applies for an adjustment.